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Daily Report

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APEC Committees Study Relevant Issues

Economic Outlook Report Discussed

OW1002074795 Tokyo KYODO in English 0713 GMT
10 Feb 95

[FBIS Transcribed Text] Fukuoka, Feb. 10 KYODO—The Asia-Pacific Economic Cooperation (APEC) forum has agreed to include a set of medium- and long-range economic issues for the Asia-Pacific region in an economic outlook report to be compiled by the group in October, APEC sources said Friday [10 February].

The accord on including five- to 10-year issues, which was proposed by this year's APEC host Japan, was reached during a meeting of APEC's economic committee held Thursday in Fukuoka, the sources said.

The formulation of medium- and long-range economic issues will be a first for APEC, according to the Ministry of International Trade and Industry (MITI).

At the high-level meeting, delegates from the forum's 18 member countries and territories also accepted a Japanese proposal to include in the report a short-term APEC economic outlook and the structure and outlook of mutual economic dependency within the APEC area, the sources said.

During a meeting of an APEC working group on standards and certificates—a unit of the high-level committee on trade and investment—which was also held Thursday, APEC delegates agreed Japan will by fall compile policy proposals for unifying product standards in APEC nations with those of the International Standard Organization (ISO), the sources said.

Japan will work on the task on the basis of a survey report to be compiled by APEC by May to assess the gaps in standards between APEC nations and the ISO in such fields as electric appliances, food, rubber products and plastics, the sources said.

The working group also agreed to work out a pact by June of next year for enabling mutual recognition of safety standards and certificates in the toy trade, the sources said.

A series of APEC committee and subcommittee meetings are being held in Fukuoka, to be followed by three-day meetings of APEC senior officials from Monday and a special session for free discussion on Thursday.

At the closing of the APEC Indonesia session last November, APEC leaders issued the so-called Bogor Declaration, which set a goal of shifting the Asia-Pacific region to a free-trade zone by 2020.

Japan, as this year's APEC host, is required to take a lead in mapping out a scheme before the Osaka APEC meeting in November to realize the ideas set forth in the Bogor Declaration.

Trade Dispute Mechanism Considered

OW1002140295 Tokyo KYODO in English 1337 GMT
10 Feb 95

[FBIS Transcribed Text] Fukuoka, Feb. 10 KYODO—The trade and investment committee of the Asia-Pacific Economic Cooperation (APEC) forum agreed Friday [10 February] to set up a working group to consider a framework for settling trade disputes in the region, APEC sources said.

The committee also agreed to conduct an expanded survey on market access following a limited survey on tariff issues last November, the sources said.

The committee will discuss details of the survey Saturday.

Meanwhile, APEC's Economic Committee agreed to include a set of medium- and long-range economic issues for the Asia-Pacific region in an economic outlook report to be compiled by the group in October, the sources said.

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Japan, as this year's APEC host, is required to take a lead in mapping out a scheme before the Osaka APEC meeting in November to bring about the realization of the ideas set forth in the Bogor Declaration.

Administrative Curbs on Access Viewed

OW1102133295 Tokyo KYODO in English 1244 GMT 11 Feb 95

[FBIS Transcribed Text] Fukuoka, Feb. 11 KYODO—Member states of the Asia-Pacific Economic Cooperation (APEC) forum agreed Saturday [11 February] to launch a probe into each other's administrative curbs that hinder market access from overseas in wide-ranging fields, officials said.

The agreement came at a "senior officials meeting" of deputies from APEC member countries which assembled in this western Japanese city to make arrangements for the Osaka meeting of APEC leaders in November.

The deputies also agreed to store lists of tariffs for various products charged by all APEC members on a CD-ROM, the officials said, adding that the CD-ROM would be duplicated and sold to interested parties in the private sector in the near future.

A CD-ROM is a large-capacity disc used as a data storage device mainly for personal computer users.

The deputies also agreed to call a seminar in July in New Zealand for APEC officials so they can deepen their understanding of each other's policies concerning business competition such as antimonopoly laws, they said.

The deputies also agreed to consider countermeasures to whittle down trader barriers for midsize and smaller business firms and hold parallel meetings of respective officials, they said.

APEC member states are planning to compile the "action agenda" to achieve the APEC goal of liberalizing trade and investment by 2020.

APEC Officials Open Meeting in Fukuoka, Japan

To Draft Action Guideline

OW1302130595 Tokyo KYODO in English 1232 GMT 13 Feb 95

[FBIS Transcribed Text] Fukuoka, Feb. 13 KYODO—Senior officials from the Asia-Pacific Economic Cooperation (APEC) forum on Monday [13 February] began discussions on an action guideline to be adopted at the APEC Osaka summit in November for freer trade and investment in the Pacific Rim region.

Delegates from 18 APEC member economies "devoted much of their discussion to two major aspects of the guideline—one for medium- and long-range action programs and the other for reaping tangible results before the Osaka gathering," a senior official in Japan's Foreign Ministry said.

The official said various views were exchanged but nothing concrete was concluded.

The three-day senior officials' meeting in the western Japan city of Fukuoka is the first major APEC event since the second APEC informal summit in Bogor, Indonesia, last November.

Japan, as host of this year's APEC session, is required to take the initiative in mapping out an action guideline to materialize freer trade and investment as called for in the Bogor Declaration.

The declaration set 2020 as the goal for freer trade and investment in all goods and services in the Asia-Pacific region.

During Monday's meeting, APEC delegates accepted a Japanese proposal to have a special session to discuss the contentious issue of how to proceed with trade liberalization and trade facilitation. The first meeting of such "brain storming" session will be held in Fukuoka on Thursday, Japanese Government officials said.

But it will likely be "difficult for APEC officials to reach consensus, even on the scope of discussion to be dealt with toward the Osaka meeting," the Foreign Ministry official said.

Monday's meeting opened with messages sent from Foreign Minister Yohei Kono and International Trade and Industry Minister Ryutaro Hashimoto, who will jointly chair an APEC ministerial meeting to be held prior to the third informal APEC summit in Osaka.

"One of the most important issues for this year's APEC session is to work out an action guideline on implementing the Bogor Declaration," Kono said.

He said, "The guideline should be something that shows a strong commitment to maintaining the political momentum achieved in the Bogor Declaration."

"The guideline should also be practical and flexible to conform with the diversity of the Asia-Pacific region and a multilateral free trading system under the World Trade Organization," Kono said.

In his message, MITI chief Hashimoto said trade liberalization and facilitation should be promoted together with economic cooperation like "two wheels of the automobile."

Japanese officials have repeatedly said the action guideline is unlikely to give more weight to quick trade liberalization measures such as tariff cuts, the most sensitive part of the agenda, due to differing economic development stages in APEC countries.

The United States and Australia are pushing for a quicker transformation of the Pacific Rim area into a free trade zone but China and Malaysia have opposed such moves.

Monday's talks also focused on clarification of "bottle-necks" in such areas as economic infrastructure, human resources development, fostering of small companies and energy development, the Foreign Ministry official said.

The second-day session will cover the role of APEC's advisory body, the Eminent Persons Group, institutional problems of APEC and expanded membership in the grouping, the official said.

There will be two more APEC senior officials' meetings—one in Sapporo in July and another in Tokyo in October—before the Osaka session. (endall) 131232 purhar DP131302.013 tk 13/1306

'Partners for Progress' Proposal

*OW1402060195 Tokyo KYODO in English 0444 GMT
14 Feb 95*

[FBIS Transcribed Text] Fukuoka, Feb. 14 KYODO—Japan will propose a new mechanism to promote economic cooperation among Asia-Pacific Economic Cooperation (APEC) forum countries, Japanese Government officials said Tuesday [14 February].

Japan will put forward the mechanism during the second day's session of an APEC senior officials' meeting in Fukuoka, western Japan, on Tuesday, they said.

The officials said Japanese delegates will emphasize the need for APEC members to take a step forward in strengthening intra-APEC cooperation for the group's overall economic development.

The concept, called partners for progress, is designed to help achieve the APEC goal of transforming the Pacific

rim region into a free trade zone by early in the 21st century by reinforcing the economic foundation of developing countries.

Under the concept, economic cooperation can occur on two levels—one among developing countries and the other in the form of advanced countries playing a bridging role in supporting cooperative programs among developed nations.

The mechanism was first aired by Japan during the ministerial APEC meeting in Jakarta last November.

The ongoing senior officials' meeting is the first major APEC event since the second APEC informal summit in Bogor, Indonesia, last November.

The meeting is aimed at drafting an action plan to materialize a set of freer trade measures proposed in the Bogor Declaration.

The action plan will be formally adopted at the Osaka APEC session, which will culminate in the Nov. 19 third informal summit for leaders of the 18 APEC countries and territories.

Japan, as the rotating host of this year's APEC session, is required to take the initiative in mapping out a guideline for the action plan in a series of APEC meetings before the Osaka gathering.

The Bogor Declaration set out the 2020 goal of freeing trade and investment in all goods and services in the Asia-Pacific region, with advanced nations completing arrangements by 2010.

Tuesday's senior officials' meeting will also cover institutional problems of APEC, expanded membership of APEC, and the role of APEC's advisory bodies like the eminent persons group, the officials said.

Japan**DA To Reject Free FSX Technology Transfer***OW1402133795 Tokyo NIHON KEIZAI SHIMBUN in Japanese 14 Feb 95 Morning Edition p 1*

[FBIS Translated Text] The U.S. Defense Department has asked the Defense Agency [DA] to provide free of charge to more U.S. firms the so-called "composite material integral construction" technology applied in constructing the main wings on Japan's next-generation support fighters (FSX). The planes are currently being jointly developed by Japan and the United States.

The technology, which has been made practical by Mitsubishi Heavy Industries, Ltd., has already been transferred to the U.S. Lockheed Corporation. However, the Defense Department has now asked for the transfer of this technology to a number of other U.S. firms.

The DA plans to reject the U.S. demand on the grounds that ownership of the technology has not been clarified. Japanese industry has also taken a cautious stance over a concern that giving in to such a demand may harm their negotiating powers in future talks with U.S. firms.

As a result, the matter may become a new point of contention between Japan and the United States as mass production of the FSX draws near.

By employing the technology, which takes a carbon-fiber composite material, heats it, and forms a complete single plane wing, it is possible to construct strong, yet lightweight components in complicated shapes. In the case of the FSX, the technology has made it possible to increase the total surface area of the FSX's main wing by 20 percent over that of the Lockheed F-16, thereby improving the performance of the aircraft.

Japan and the United States have agreed to classify FSX-related technologies as either those that have been developed independently by Japan or those that have been derived from the F-16. So far, only five items, including a high-powered radar developed by Mitsubishi Electric Corporation, officially fall into the first category.

When transferring technology classified under the first category to the United States, Japan receives a fee, while derived technologies are transferred free of charge.

Integral construction technology has been a controversial issue because Japan considers it an "independently-developed technology," while the United States asserts it is "derived technology." The two sides have been unable to resolve their differences on the issue.

Accord Signed To Open Financial Market*OW1402000195 Tokyo KYODO in English 2306 GMT 13 Feb 95*

[FBIS Transcribed Text] Tokyo, Feb. 14 KYODO—Japan and the United States have signed an agreement

allowing foreign companies greater access to Japan's financial market, Foreign Ministry officials said Tuesday [14 February].

The two countries immediately sought to consolidate a string of commitments with an extraordinary exchange of letters between the pair's financial chiefs, the officials said.

The agreement was signed in Washington on Monday local time.

The letters—swapped between Finance Minister Masayoshi Takemura and U.S. Treasury Secretary Robert Rubin—state that the two economic superpowers pledge to faithfully live up to various obligations stipulated under the accord, they said.

The accord was announced Jan. 10, but the text of the accord was not signed by Rubin and Japanese Ambassador to Washington Takakazu Kuriyama until Tuesday after "the working out of the technical details," the officials said.

An official at the ministry's North American Affairs Bureau, explaining why the letters were exchanged on top of the signing, said it was "at the request of the U.S. Government which was asked to do so by the relevant industries."

He was apparently referring to requests by U.S. financial institutions which have calculated the stakes in the deal to reach billions of dollars.

The ministry officials also said the two nations agreed to hold annual follow-up meetings to monitor the degree of compliance by related parties of the contents of the accord.

The two nations also agreed to comply with the other's request for similar follow-up supervisory meetings if requested, they said.

In a statement released to the press, the ministry said, however, that although "objective criteria" may be used to check the degree of compliance, such criteria should not be allowed to include anything that might amount to the virtual use of "numerical targets."

The accord allows foreign investment advisers to manage part of Japan's huge official pension funds through "limited partnership" with Japanese trust banks and life insurance companies.

The deal also gives greater access to Japan's investment trust market and securities market, while softening regulations on cross-border capital transactions.

Japan-U.S. Business Council Meets on Trade**Targets Auto Dealers***OW1302143795 Tokyo KYODO in English 1342 GMT 13 Feb 95*

[FBIS Transcribed Text] Tokyo, Feb. 13 KYODO—U.S. business leaders urged their Japanese counterparts

Monday [13 February] to help boost the number of car dealers who will agree to sell American cars in Japan, on the initial day of a two-day meeting designed to alleviate bilateral friction.

The U.S. business tycoons, including Ford Motor Co. Chairman Alexander Trotman, made the request during a joint executive committee meeting of the Japan-U.S. Business Council held at a Tokyo hotel.

Japanese business leaders, however, rejected the request, saying that the U.S. side had not made sufficient efforts to persuade Japanese dealers to strike arrangements to sell U.S. cars.

The Japanese side said if the U.S. business leaders continued their efforts to expand the number of dealerships in Japan, their business performances will improve in the future.

The car dealership issue has been one of the focal points in long-simmering, Japan-U.S. trade friction.

The U.S. side has complained that Japanese dealers' long allegiance to certain affiliated Japanese automakers has put them off entering into new business arrangements with U.S. automakers.

The Japanese side has tended to describe the current poor distribution network run by U.S. automakers here as a matter of insufficient effort.

Ford's Trotman said although the leading U.S. automaker has only one dealership affiliated with Toyota Motor Corp. and five more affiliated with Nissan Motor Co. in Japan at present, it hopes to establish 200 to 500 dealerships.

Yotaro Kobayashi, Chairman of Fuji Xerox Co., Donald Fites, chairman of Caterpillar Inc. of the United States and some 40 other participants also discussed how to promote regional economic cooperation under the Asia-Pacific Economic Cooperation (APEC) forum.

In a keynote speech, Frank Cahouet, chairman of Mellon Bank, said the U.S. trade deficit with Japan will not shrink significantly in 1995 because of Japan's closed markets and that it will require political initiatives, on top of efforts to solve the gap economically.

In response, Kosaku Inaba, head of the Japan Chamber of Commerce and Industry, said, "the bilateral trade imbalance is on its way to being corrected. But the yen's recent appreciation has hit Japanese industries."

The two-day session will prepare for the 32nd meeting of the Japan-U.S. Business Conference to be held in Tucson, Arizona, in July.

In a lecture before the committee, U.S. Ambassador Walter Mondale expressed reservations about a proposal to create the East Asia Economic Caucus (EAEC), a regional consultative body under the APEC umbrella.

The Japanese side countered, saying the proposal should be implemented from the standpoint of respecting different positions of conditions in the United States and Asian countries.

The Japan-U.S. meeting is held once a year, where senior executives from business and industrial sectors gather to exchange ideas regarding economic issues facing the two countries. The meeting alternates between the U.S. and Japan.

Urges More Deregulation

OW1402073195 Tokyo KYODO in English 0719 GMT
14 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 14 KYODO—Business leaders from Japan and the United States urged the Japanese Government Tuesday [14 February] to promote deregulation to stimulate the economy and correct the trade imbalance between the two countries.

In a joint executive committee meeting of the Japan-U.S. Business Council, Yotaro Kobayashi, chairman of Fuji Xerox Co., Donald Fites, chairman of Caterpillar Inc. of the U.S., and some 40 other business executives discussed bilateral economic issues.

After the two-day meeting held at a Tokyo hotel, Kobayashi said in a press conference that Japan should step up deregulation to stimulate the Japanese economy and contribute to establishing a global trade rule which will allow better market access for goods from other countries.

Kobayashi also said deregulation will help correct the huge trade imbalance between the two nations.

Japan's trade surplus with the U.S. in 1994 reached 54.96 billion dollars, according to Finance Ministry figures.

"Taking a look from a yen-denominated basis, the gap is being corrected," Kobayashi said. "But from the viewpoint of the U.S. rate, the imbalance won't seem to shrink."

Fites said Japanese deregulation will benefit not only industrial sectors in the two nations but Japanese consumers, adding that Japan's efforts in this regard have been insufficient.

In order to urge the Japanese Government to promote further deregulation, Fites said, Japanese business leaders like those at the Federation of Economic Organizations (Keidanren) as well as local consumers should stress to the government the need for deregulation.

Kobayashi said the meeting decided to establish a special joint task force to urge both Japan and the U.S. Governments to act appropriately in specific areas like asset management and intellectual property.

The task force will be composed of 12 members, cochaired by Kobayashi and Fites, he said.

The business leaders of the two nations met to prepare for the 32nd meeting of the Japan-U.S. Business Conference to be held in Tucson, Arizona, in July.

The conference is held once a year when senior executives from business and industrial sectors gather to exchange ideas regarding various issues facing the two countries. The meeting alternates between the U.S. and Japan.

MITI To Consider U.S. Car Dealerships

OW1402092095 Tokyo NIHON KEIZAI SHIMBUN in Japanese 14 Feb Morning Edition p 5

[FBIS Translated Text] The Ministry of International Trade and Industry [MITI] will launch a survey to discover domestic car dealers interested in selling American cars and introduce them to U.S. automakers. Its plan will be presented at negotiations on auto and auto parts under the Japan-U.S. economic framework talks to be held in Tokyo starting 15 February.

Before conducting the survey, MITI intends to ask the U.S. Government to share some of the research expenses and also provide Japanese dealers with a chance to hold business meetings with three major U.S. makers.

Japan has been at odds with the United States over deregulation of the replacement parts market, a major issue in the auto talks.

The Machinery and Information Industries Bureau expects "the United States will be interested in the proposal," and Japan hopes it will lead to the settlement of the troubled auto negotiations.

More than 1,700 companies are involved in auto sales in Japan.

The survey will be conducted among about 1,600 of them. MITI intends to choose dozens of companies among those indicating an intention to sell American cars, and question them in detail about the kinds of cars and potential sales volume. Information collected in the survey will be given to U.S. automakers before their business meeting with Japanese dealers.

The auto talks, which were suspended last October, have made no progress since resuming in January. Negotiations have been deadlocked after Japanese bureaucrats and the private sector reacted strongly to a comment by Jeffrey Garten, U.S. undersecretary of commerce for international trade. He indicated the desire to discuss with Japanese automakers directly their self-imposed procurement plan for U.S.-made auto parts.

Taking this into account, MITI hopes to make a breakthrough with its new proposal, which it thinks will be palatable to the U.S. Government.

Tokyo To Support U.S. War Anniversary Event

OW1402060895 Tokyo KYODO in English 0551 GMT 14 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 14 KYODO—The Foreign Ministry has decided to officially support U.S.-planned events on the western Pacific island of Iwo Jima

to commemorate the 50th anniversary of the end of World War II, ministry officials said Tuesday [14 February].

The decision was made after the U.S. side confirmed its intention to look at the events as a joint service to mourn those who died in Iwo Jima battles instead of a commemoration of the U.S. victory over Japan, the officials said.

They noted that the ministry has already asked the Defense Agency to mobilize Japanese Self-Defense Forces (SDF) planes to transport some 100 bereaved relatives of Japanese soldiers who died on the island, which lies some 1,200 kilometers south of Tokyo.

Most Japanese relatives had been reluctant to attend the events initiated by U.S. war veterans because the U.S. Armed Forces are to offer full support and a Washington committee on the war's anniversary had said the Iwo Jima events would be a victory ceremony.

The Japanese side is to participate in a memorial service on Mt. Suribachi on March 14, which the U.S. side claims as the anniversary of the day it took the island but is unlikely to attend a ceremony on the island's southern coast where U.S. Troops landed Feb. 19, 1945, the officials said.

The monthlong battle killed some 7,000 U.S. and 20,000 Japanese troops.

The events will draw more than 1,000 U.S. participants who are expected to travel by chartered planes.

The United States has asked Tokyo to allow the planes to use the runway on Iwo Jima used by the SDF and occasionally by U.S. Navy planes based in Japan for night landing drills.

Official on Perry's DPRK Nuclear Aid Figure

OW1402094195 Tokyo KYODO in English 0911 GMT 14 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 14 KYODO—A senior Foreign Ministry official Tuesday [14 February] brushed off an estimate of 5 billion [bn] dollars reportedly revealed by U.S. Defense Secretary William Perry for an international project to convert North Korea's nuclear program to a peaceful one.

"We can't find any basis (for the aid package) to total 5 billion dollars," Yutaka Kawashima, head of the ministry's Asian Affairs Bureau, told a House of Representatives budget committee session.

Estimating the total to be around 4.5 billion dollars, Kawashima said, "the United States has explained that two 1,000-megawatt reactors will cost 4 billion dollars. Alternative energy supply is about 400 million dollars."

A multinational consortium led by the U.S., Japan and South Korea is to provide two light-water nuclear reactors and other aid under last October's Washington-Pyongyang agreement aimed at clearing tensions over North Korea's suspected development of nuclear weapons.

Kawashima was responding to questions by Iwao Matsuda from the largest opposition party Shinshinto (New Frontier Party) over Perry's reported remarks made to the U.S. Congress.

MITI Reports on 145 Deregulation Items

*OW1402051795 Tokyo KYODO in English 0354 GMT
14 Feb 95*

[FBIS Transcribed Text] Tokyo, Feb. 14 KYODO—The Ministry of International Trade and Industry (MITI) said in an interim report published Tuesday [14 February] that 145 items of economic deregulation, including an abolition of export inspections, are scheduled for implementation, subject to law revisions.

MITI sent copies of the report to the United States, the European Union and Japanese business organizations, all of which had made requests regarding deregulation, ministry officials said.

Japan's top business lobby, the Federation of Economic Organizations (Keidanren), had asked for an abolition of export inspections that were originally intended to prevent exports of shoddy goods.

The report preceded the scheduled publication at the end of March of a five-year government program for economic deregulation.

It also listed 118 items of deregulation under consideration, including the replacement of the Japan industrial standards with standards of the International Organization for Standardization and the easing of restrictions on installment payment sales.

MITI To Ease Foreign-Made Housing Regulations

OW1102132995 Tokyo NIHON KEIZAI SHIMBUN in Japanese 11 Feb 95 Morning Edition p 4

[FBIS Translated Text] In cooperation with the housing industry, the Ministry of International Trade and Industry [MITI] will set itself the task of encouraging wider use of foreign-made housing. Concrete measures will be studied by a committee which will be formed in March by companies that import and sell foreign-made housing. By improving the materials distribution network and supporting building contractors, the committee will aim to encourage wider use of foreign-made housing, which are said less expensive than Japanese houses. The committee will also look into easing Japan's building and material codes, which stipulate detailed standards on construction materials.

The committee will be composed of 40-50 companies that import and sell foreign-made housing; the Manufactured Imports Promotion Organization (MIPRO) will act as a secretariat. MITI is asking companies who want to make inroads into the construction market to join the committee.

Tokyo To Submit List of Issues to APEC Forum

*OW1402143995 Tokyo KYODO in English 1420 GMT
14 Feb 95*

[FBIS Transcribed Text] Tokyo, Feb. 14 KYODO—Japan will present to other members of the Asia-Pacific Economic Cooperation (APEC) forum on Thursday [16 February] copies of a document listing the key points of contention now under debate, as a way of expediting talks for freer trade and investment, Foreign Ministry sources said Tuesday.

The document will be distributed at a special session of the APEC members during a special session of a senior officials' meeting in Fukuoka, northern Kyushu, they said.

A ministry source said Japan compiled the document "listing assignments which APEC members have to tackle to achieve liberalization" in trade and investment to alleviate complications in the ongoing discussion at preparatory meetings for the upcoming November meeting of the APEC leaders in Osaka.

The document is also designed to expedite the process of sketching out an "action agenda" for achieving the APEC goal of lifting controls on trade and investment in the area by the year 2020.

The document will list the remaining problems to be solved, such as the speeding up of customs clearance procedures for goods, international standardization of certification systems for imports, and establishment of a trade squabble-resolving mechanism, they said.

It will also handle the issue of whether tariff rates agreed upon among APEC members should apply to non-APEC countries and the propriety of distinguishing between developed countries and developing countries in terms of the target year by which liberalization should be attained, they said.

The Bogor declaration issued at last year's Indonesian meeting called for setting the target year for developed countries at 2010 and that for developing countries at 2020.

The special session of the Fukuoka get-together is eyed as a forum where the issue of trade and investment liberalization should come under intensive scrutiny by the member states.

International Copyright for Satellite TV Urged

*OW1402100495 Tokyo KYODO in English 0926 GMT
14 Feb 95*

[FBIS Transcribed Text] Tokyo, Feb. 14 KYODO—International rules on copyrights for satellite TV programs should be drafted to protect them from abuse, a government-commissioned study group on multimedia said Tuesday [14 February].

In a report drafted for the Copyright Council, an advisory panel to the Agency for Cultural Affairs, the group also recommended penalties be introduced for making equipment which counters anticopying functions designed to protect copyrights such as computer software. The existing copyright law does not stipulate such penalties.

Among other proposals, the group calls for extending the scope of radio and TV services subject to copyright fees paid by secondary users to include music and video programs to be broadcast on demand by each individual.

Multimedia services combine video, sound and text, allowing users to have access to such information at their will, but there are no common international rules on their copyrights.

Egyptian Minister Urges Tokyo Aid to Palestine

OW1102124995 Tokyo ASAHI SHIMBUN in Japanese 11 Feb 95 Morning Edition p 7

[FBIS Translated Text] On 10 February, Egyptian Foreign Minister 'Amr Mahmud Musa, who is visiting Japan, held a news conference at the Japan Press Club in Uchisaiwai-cho, Tokyo. He expressed his hope that Japan will play a role in realizing Middle East comprehensive peace. He said: "I hope that Japan will increase the amount of its aid to the authorities of the Palestinian autonomous region, which is faced with a difficult situation, and further accelerate [the peace process]."

The same foreign minister also said: "Japan is making contributions to peace by participating in multilateral talks on Middle East peace and is showing the possibility of joining anticipated activities for maintaining peace. These things indicate that in the future, Japan will play an important role in the Middle East."

Moreover, touching on the fact Israel, which reportedly owns nuclear weapons, is not a signatory to the Nuclear Nonproliferation Treaty (NPT), the foreign minister said: "Why is Israel being treated as an exception? All countries should be treated equally." He then stressed once again that he will strongly urge Israel to join the NPT this spring, when the treaty will be reviewed.

MITI To Survey PRC Textile Export Policy

OW1102110695 Tokyo NIHON KEIZAI SHIMBUN in Japanese 11 Feb 95 Morning Edition p 4

[FBIS Translated Text] The Chinese Government has voluntarily restricted China's exports of textile goods to Japan since 1 January this year. The Ministry of International Trade and Industry [MITI] will send a team to China next week, at the earliest, to survey how the Chinese Government has actually restricted the exports of Chinese-made textile goods. The team will survey in detail how the Chinese Government has set the volume of textile goods bound for Japan and how it has restricted the exports of Chinese-made textile goods to

Japan, (according to the MITI's Consumer Goods Industries Bureau). The Japan Textile Association and Japanese textile industry are asking MITI to restrict the imports of textile goods from China. MITI will decide on whether to restrict the imports of Chinese-made textile goods on the basis of a survey report to be submitted by the team.

The Consumer Goods Industries Bureau says MITI has almost confirmed, with the help of trade firms, that the Chinese Government has put the voluntary restrictions into effect. The bureau also says that since the Chinese Government has refused to make clear ceilings on item-by-item exports of textile goods to Japan, it remains unclear whether or not China's voluntary restrictions will have the effect of reducing exports of textile goods to Japan.

The survey team will be led by a director in charge of textile affairs and the team will meet with Chinese officials in charge of textile trade in the Foreign Economic Relations and Trade Ministry in Beijing. The team plans to inquire the Chinese officials about the "roundabout exports" of Chinese-made textile goods to Japan via Hong Kong.

Experts Debate Site for Experimental Reactor

OW1402094295 Tokyo KYODO in English 0857 GMT 14 Feb 95

[FBIS Transcribed Text] Mito, Japan, Feb. 14 KYODO—A team reviewing the question of where to site an international experimental nuclear fusion reactor met for the first time Tuesday [14 February] at a Japanese Government laboratory northeast of Tokyo.

The meeting is designed to allow experts from participating countries to exchange opinions. It was held at a laboratory of the Japan Atomic Energy Research Institute in Naka, Ibaraki Prefecture, which lasts until Thursday.

Scientists from Japan, the United States, Russia and the European Union (EU) have been working on the project since 1992 to build the reactor, known as the International Thermonuclear Experimental Reactor (ITER).

The meeting is scheduled to hear a submission from a core group overseeing plans for construction of the reactor, compile a draft list of the conditions for determining the site of the reactor, and define the method to be used to decide on the site.

Subsequent meetings will delineate specific topics to be covered in the project for presentation in a final report to a council responsible for the project.

The four parties signed an agreement in July 1992 to jointly design the reactor, which is due to be operational by 2005.

Japan was chosen as the host country for a joint engineering design team. Other teams working on the project

began operations at the same time in San Diego in the U.S. and in Garching near Munich, Germany.

In July, the core team is due to submit its midterm report to the council, after which the team is to finalize the conditions for deciding on a site and present them to the council.

The governments of the four participating countries and region will then decide on a site.

All the participants have signaled their wish to host the reactor. In Japan, places mentioned as suitable sites are an industrial park in eastern Tomakomai in Hokkaido, Rokkasho in Aomori Prefecture, where a number of nuclear facilities already exist, and Naka, where the present meeting is taking place.

The Naka Research Center is home to the preliminary stage of an experimental nuclear fusion reactor known as JT-60 which in 1989 produced a plasma state in fissionable matter commensurate with the best level in the world.

Reactor Issue Divides Government, Citizens

OW1202101495 Tokyo KYODO in English 0947 GMT 12 Feb 95

[FBIS Transcribed Text] Osaka, Feb. 12 KYODO—Citizens opposing the country's new plutonium-fueled fast breeder reactor were at loggerheads with government officials Sunday [12 February] over the safety of the nuclear reactor, in the first open debate on the issue.

More than 200 citizens across the country, including those who submitted opposition to the reactor in central western Japan, participated in a debate with officials of the reactor's operator, government-affiliated Power Reactor and Nuclear Fuel Development Corp., and of the Science and Technology Agency.

The debate was focused on the safety of the reactor, chiefly its quake-proof system, in the wake of the massive Jan. 17 earthquake that devastated the port city of Kobe and its vicinity, killing more than 5,300.

Proponents emphasized the plant's safety, saying that they are checking buildup guidelines but that the reactor is capable of resisting such a temblor.

Opponents, however, rejected the remarks, arguing, "elevated expressways and buildings that were considered safe in a huge quake collapsed in unimaginable seismic vibrations. How can you say the reactor is safe even though the mechanism of the damage has not been unraveled."

Opponents also criticized proponents for having yet to pick a site for disposal of the radioactive waste discharged from the reactor, and pointed out the danger of the design.

The reactor "Monju" reached criticality in April last year in Tsuruga, Fukui Prefecture, on the Sea of Japan coast, some 350 kilometers west of Tokyo.

Criticality is the point at which the reaction in the plant's fissionable material is sufficient to sustain a chain reaction. The reactor is scheduled to commence supplying electricity in April.

The reactor, which is fueled by a mixture of plutonium oxide and uranium oxide, is believed to have the potential to use fuel 60 times more efficiently than conventional uranium reactors.

Japan has made fast breeder reactors, which produce more fissionable material than they consume, a cornerstone of its nuclear power policy.

MOF Weighs Budget Funds for Reconstruction

OW1402104595 Tokyo KYODO in English 0948 GMT 14 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 14 KYODO—The Finance Ministry [MOF] is considering earmarking about 900 billion yen in a second fiscal 1994 supplementary budget for urgent measures to help reconstruct areas of western Japan devastated by the Jan. 17 earthquake, ministry officials said Tuesday [14 February].

The ministry plans to issue construction bonds worth some 700 billion yen, mainly for the reconstruction of damaged public facilities, as well as deficit-covering bonds of around 600 billion yen to make up for an expected tax revenue shortage, the officials said.

It would be the first time in five years since fiscal 1989 that deficit-covering bonds are issued to cover current account expenses.

The government has prepared to submit the second extra budget plan to the current Diet session Feb. 24 for approval early in March, the officials said.

Damage from the great Hanshin earthquake is estimated at 9.5 trillion yen by the government of Hyogo Prefecture, hard-hit by the quake, of which 2-3 trillion yen may have to be covered by public funds, they said.

Remaining reconstruction measures which cannot be covered by the second extra budget will be embodied in a supplementary budget for fiscal 1995 starting April 1, they said.

Additional expenditures in the second extra budget for fiscal 1994 include public works-related spending worth more than 600 billion yen to restore public facilities such as railroads, port facilities and sewers, they said.

An investment of some 100 billion yen in government-backed financial institutions will also be added to back increased loans by such public lenders, including Japan Development Bank, for the restoration of damaged factories and lifelines such as railways, electricity and gas, the officials said.

Around 150 billion yen will be earmarked to finance condolence money for quake victims, provision of temporary housing and disposal of debris in quake-stricken Kobe and its vicinity, they said.

Consequently, total expenses required for emergency quake measures are expected to reach around 900 billion yen.

But the real scale of additional expenditures in the second supplementary budget may come to slightly more than 600 billion yen because of a nearly 200 billion yen drop in tax grants to local governments due to lower tax revenues, as well as reductions in other expenses, they said.

On the revenue side, tax revenues are likely to fall by nearly 600 billion yen because of an expected drop in corporate tax from quake-hit companies and income tax cuts or exemption for quake sufferers retroactive to 1994, they said.

* Political Analysts Discuss Political Future

* New Coalition Foreseen

952B0082A Tokyo *THIS IS YOMIURI* in Japanese Jan 95 pp 41-43

[Article by Masaya Ito, political commentator: "General Election Will Be Followed by a Coalition Government With the Liberal Democratic Party Playing a Key Role"]

[FBIS Translated Text] Road for Survival of Socialist Democratic Party of Japan [SDPJ] Calls for Alliance With "Sakigake [Harbinger] Party"

This writer thinks the political situation will start moving in earnest after the passage of the budget. He thinks there will be no dissolution of the House of Representatives until that point.

The opposing political forces currently in place represent an extension of those which existed in June 1994. The current political momentum is insufficient to alter this trend. Additionally, the perspective of political stability imposes a number of restraints on changing the current political situation.

First, there is the fiscal year 1995 budget. The fiscal year 1994 budget became the target of political maneuvering, and its approval was delayed substantially until after the new year and had a stifling effect on economic recovery.

Following the same path in 1995 will not be condoned. Early approval of the budget is necessary even from the standpoint of its effect on the economic recovery. There is also the issue of Japan-bashing in the form of a strong yen.

Further, there is no way to avoid negotiations relative to the new comprehensive economic talks with the United States which has just finished its mid-term elections.

The SDPJ holds the key to developments in domestic politics. Secretary-General Kubo's concept of a "New Democratic Liberal Party" was the only way in which the SDPJ could survive under a major two-party confrontation approach, but the question is, will that concept prove useful in solving its problems associated with the small electoral district-proportional representation election system which places the SDPJ at a disadvantage?

This writer feels that those circumstances will cause a major defeat on the part of the SDPJ in connection with the consolidated local elections and the election for the House of Councillors. An explosion of discontent arising from such a defeat will probably engender animosity on the part of the New Democratic Alliance against the Murayama government.

This writer believes the Murayama administration will manage to survive somehow, at least until the fiscal year 1995 budget is approved. This writer said the current political situation is an extension of the situation in 1994, but put another way, it is a case where the situation reflects "long-term stagnation." That period will be followed by a political situation facing the critical potential of dissolution.

Murayama has no intention of dissolving the House of Representatives. The only way Prime Minister Murayama can be forced into dissolving the lower house would be to pass a no-confidence vote against the cabinet in the Diet. If a no-confidence vote were to be passed, it would become a question of dissolving the Diet or a mass resignation of the cabinet. If he were faced with such a situation, Prime Minister Murayama would probably opt for dissolution.

Once the budget is passed, a situation in which Kubo and his faction would move towards a no-confidence vote is possible, leading to sudden turmoil in the political situation.

The Kubo concept envisions the assumption of a leading role as one of the three major political groups, with the other two consisting of the LDP and the New Frontier Party formed out of the old coalition parties. He is treading what can be considered the right path, but with the sense that he is too late. That being the case, he has a rough row to hoe. It seems his party will not be able to attain full maturity. If he aspires to a new liberal party, he faces the need to ally the party with the "Sakigake Party." However, the Sakigake Party is showing signs of hesitancy.

The SDPJ will face a sharp reduction in its ranks during the next general election. Most likely, the Sakigake Party will close in on the SDPJ in terms of seats occupied. They could certainly control the casting vote in the event they would ally themselves with the Sakigake, but they are overly optimistic about their own prospects.

The crucial aspect of a general election is for political parties to assume a cooperative stance on election matters. If the LDP, SDPJ, and Sakigake were to form a

coalition, they could probably win over 300 out of the 500 seats under contention under the small electoral district and proportional representation election systems. On the other hand, if the Sakigake should side with the New Frontier Party, the LDP would drop to 140 seats under the two systems.

Regardless of when the next general election takes place, the SDPJ will collapse under such conditions if the Diet should be dissolved prior to the formation of a new liberal party. If the SDPJ were to form a new party and ally itself with the Sakigake Party, the effects of a cooperative stance relative to elections could come into play so that it would ultimately win 50 seats.

Predicting the political distribution of power subsequent to a general election is difficult, but this writer predicts a dissolution of the Diet after approval of the budget under current conditions would produce election results with 240 seats going to the LDP, 170 to the New Frontier Party, 50 to the SDPJ, 30 to the Sakigake, and 10 to the Japan Communist Party and the nonaffiliated.

If the overall outcome were to be as indicated above, 20 more seats won by the LDP would mean a majority for that party. Accordingly, we can visualize an LDP-SDPJ alliance, an LDP-Sakigake alliance, or an alliance between the LDP and former Shinseito [Japan Renewal Party] members without Ichiro Ozawa.

The old coalition had no choice but to relinquish government power because of the major strategy errors committed by Ichiro Ozawa. Potential members of the New Frontier Party will have to assume a defensive posture against the risk of fragmentation, unless it succeeds in becoming a new party.

The Komeito's participation in the New Frontier Party under a split arrangement with the main segment to remain as the Komeito could be a measure of last resort facing up to the eventuality that it expects to face defeat in a general election. Much like the Japan Communist Party, the Komeito suffers from rejection on the part of the general electorate. Accordingly, it will be difficult for it to post a candidate in small electoral districts where only single seats are in contention. It will become a case where the Komeito will opt to play the role of a supporter for candidates from other parties. There must be considerable discontent on the part of the party as well as the Soka Gakkai. An organization that was highly effective under the medium electoral district system, becomes a disadvantage under a small electoral district system.

On the other hand, having a strong organization will enable the Komeito to win some seats in the proportional representation elections. If Soka Gakkai Honorary Chairman Daisaku Ikeda gains some power as the result of the next general election, it appears he may develop closer relations with the LDP.

* Two-Party System Advocated

952B0082B Tokyo *THIS IS YOMIURI* in Japanese Jan 95 pp 43-44

[Article by Kenzo Uchida, Tokai University professor: "Call for Moderate Two-Party System"]

[FBIS Translated Text] Politicians Should Subject Themselves To Will of People in 1995

The year 1995 will be the "50th anniversary of the postwar period" and will be approaching the end of the century with only five years left. The question is, will we be able to use the remaining five years to bring the 20th century to a successful end, dispose of all the problems of the half century since the end of World War II, and open the doors to a promising 21st century? I believe that even if that is not an impossible feat as far as Japanese politics is concerned, it will be a very rough course strewn with many obstacles.

When 38 years of sole one-party rule by the Liberal Democratic Party [LDP] collapsed in the summer of 1993 and the Hosokawa coalition government was formed of non-LDP forces, public opinion uniformly cheered and welcomed the "end of the 1955 system." The public looked forward to a breakdown in one-party rule which had become unresponsive to domestic and international turbulence, as well as to elimination of adhesion between political and bureaucratic elements.

However, the expectations of the public have been betrayed in less than a year. The Hosokawa and Hata coalition governments were formed by an alliance of different parties, who had recorded certain achievements in the area of political reform, but no progress in the areas of administrative, fiscal, and economic reform and were far from initiating any action in the area of deregulation and decentralization of government authority, and they revealed a number of contradictions and impotencies of brethren with superficially common destinies but inconsistent goals. That situation was taken advantage of by the arrival of the Murayama coalition government in the summer of 1994. The LDP restored itself to the status of ruling party by using the extraordinary tactic of pushing for a Social Democratic Party of Japan [SDPJ] leader as prime minister. To begin with, in reality the 1955 system was composed of one-party control by the LDP with backup collusive support of the SDPJ, making the change nothing more than a restoration of the old arrangement. Moreover, the ruling party will welcome in 1995 with a stable government controlling about 290 seats with 200 seats held by the LDP, 70 by the SDPJ, and 20 by the new party Sakigake [Harbinger].

However, that represents no more than an ephemeral form of stability associated with Nagata-cho politics. Even this so-called Nagata-cho power game is undergoing turbulence at the year's end and in the New Year. Of greatest significance is that the international political

and economic structural turbulence following the collapse of the U.S.-Soviet Cold War structure and the concurrent trends in Japanese domestic economic and social reform are not about to tolerate stagnation and backwardness associated with so-called stable politics. It appears the next five years will witness a fluid political situation which will equal the turbulence and changes that took place in the past 18 months.

The year 1995 will be an "election year." Scheduled elections include the consolidated local elections in April and the House of Councillors election in July, while a general election of the House of Representatives will unavoidably take place some time during the year. It will inevitably become a year of three major elections. Of special note is that the general election to be held under the new election system will serve as the key to predicting the political map and direction of Japan for the next five years.

For the time being, the opposition New Frontier Party is asking for an early general election in the beginning of 1995, while the ruling coalition parties would like to schedule it in the latter part of 1995 or even postpone it until after 1996. However, if we are to think of the significance of finally realizing political reform after more than six years of effort, we should subject our politicians to a fresh assessment by the public under the new political system at the earliest possible date. Even if the political agenda will not permit an election early in the New Year, we should schedule an election for the middle of 1995 and expose the political system to public judgment.

Political reality is already moving sharply in anticipation of the next general election. Movements taking place in preparation for the coming general elections include the formation of the "New Frontier Party" on 10 December, the "New Democratic League" within the SDPJ, the "search for an "SDPJ-LDP New Party," and, in contrast, the argument for a "Socialist New Party" composed of all of the mainstreamers under Murayama, and the argument for a "democratic-liberal forces alliance" of the Sakigake new party. Then, in the background, fierce competition is being waged among current incumbents, candidates, and the respective parties in an effort to position themselves in electoral districts individually as well as in the form of strategic alliances.

The question is, how will the these alliances and struggles of the various political forces preceding and following the general election shape up? To begin with, one wonders what political doctrines these strategic political alliances are based on. On the contrary, when one pursues the situation, one gets a clear picture of the extent to which the politics of the past 18 months have lacked in doctrine and fundamental principles and the extent to which they were based on power struggles replete with grudges and partiality. All parties have immersed themselves in the Nagata-cho power struggle beginning with the existing parties, such as the LDP and

SDPJ, and even the Japan New Party and the Sakigake new party were no exception, although they had initially arrived on the scene with the spirit of renewal and inspired by the doctrine of reform. As a whole, political relationships are distressingly distorted. This is the very reason why the search by the various political forces preceding and following the general election under the new election system can said to be the very first step to find a new direction for normalized politics free of such distortions, as well as a new form of parliamentary politics as we near the 21st century. Questions include, will the new election system give birth to a major two-party system or a "three-polar structure" reflecting the LDP, the New Frontier Party, and then a "third party" with a certain share of the seats? Or, will it give birth to a "moderate or excessive number of parties?" This writer does not feel that a major two-party system will be created in the immediate future, but also doubts that a three-party system will stabilize under the current Japanese political climate. If at all possible, he would like to see the arrival of a "modest major two-party system premised on a moderate plural party system," as proposed by the "Private-Sector Provisional Political Research Council" in the spring of 1993.

In any case, the turmoil and confusion which prevailed during the last several years will probably continue a while longer. The construction of a new and better political system will probably require the conduct of two or three general elections during the balance of the century including the general election of 1995.

* Post-Election Scene 'Unpredictable'

952B0082C Tokyo THIS IS YOMIURI in Japanese Jan 95 pp 46-47

[Article by Masataka Kosaka, Kyoto University professor: "Election Under New System Will Serve as Parting Point"]

[FBIS Translated Text] Problem With Concentration of Socialist Democratic Liberal Forces Betting on Survival

Soon after the birth of the Murayama administration, both commentators and man-on-the-street expectations were that his would be a short-lived government. The view that it would last at the most several months or until the end of 1994 was overwhelmingly strong, but such speculation was overstated, and, in reality, the Murayama cabinet has displayed considerable stability and has begun to earn higher support ratings. However, that phenomenon is not strange. The individuals who created the three-party coalition government clash intensely on a superficial basis, but are individuals who are expert at and cleverly negotiate and involve themselves in so-called behind-the-scenes collusive politics, while the public has been weary of the severity of the turbulence in the past several years and now thirsts for stability.

However, today there is the risk of committing an error of the opposite extreme. Predictions are being made that

the current cabinet will survive for a long time and that a dissolution and general election of the House of Representatives will not take place until the current terms expire in 1996, but that will probably turn out to be wrong. As the potential for an election increases, the Murayama cabinet will probably become unstable and an increased movement for reorganization will probably overtake the political world as a whole. It is conceivable that such an outcome will become increasingly probable after the House of Councillors election scheduled for the summer of 1995.

This will be the case because it is feasible for the three-party coalition to establish a stable majority in the Diet, but waging a campaign, especially the House of Representatives elections, under the new system will be a very difficult problem.

This fact was demonstrated in connection with the special election to fill the Aichi Prefecture vacancy in the House of Councillors, but similar cases will probably occur in the future. The fact that the Social Democratic Party of Japan [SDPJ] suddenly changed its policy stance on security and diplomatic policy and on the tax issue was not in any way a mistake. However, this writer does feel that it would have been much better if they had done so 30 years earlier. At the least, it would have been better if the issues had been formally discussed within the party, official policy changes made, and only then the coalition government formed.

The foregoing were the sentiments of many people, the absence of the sequential steps led to the impression of sudden change, and the assessment that the Murayama administration would not last long. However, no matter how sudden the change may have been, as long as the change itself was not a mistake, there is no deprecating it. The problem lies in the fact that the SDPJ did not launch a new policy package.

The current cabinet is being labelled by the public as a "Liberal Democratic Party [LDP] cabinet with an SDPJ prime minister," and that is a generally accurate statement. The SDPJ turned itself into a resistance party because of the 30-year tardiness in changing itself, but it was faced with the fate of losing its originality once it ceased to resist. Thus, even though the SDPJ has the desire to cooperate with the LDP in elections, it cannot muster the energy to do so.

The lower echelons of the LDP could not conceivably wage a struggle for SDPJ members for other reasons. Simply put, aside from the purpose of maintaining the status quo, the current coalition government has no objective by which to influence elections. That being the case, the LDP will probably win in an election, while the SDPJ will be buried in defeat.

In reality, when the current coalition government was formed, suspicions were being quietly voiced that one more election would be held under the medium electoral district system.

Such suspicions were not necessarily groundless in that the majority of individuals constituting the current coalition government were elected under the former electoral districts and are more suited to waging election campaigns under the medium electoral district system. However, now that we have reached this point, such an election will not take place. If the government were to forcibly carry out such an election, they would suffer election losses under the accusation of being excessively unprincipled.

The possibility of an election under the new system has intensified, and survival under those circumstances will probably become the controlling consideration of Diet members. SDPJ Diet members will probably wage a desperate effort for survival, in which the issue will become, just how will they demonstrate their separate positions? This is evidenced by the resurfacing of concentrations of social democratic liberal forces which had disappeared for a while.

Needless to say, the so-called "social democratic liberal" approach is, as suggested by many people, vague in nature. Furthermore, the term will probably continue to be used without any effort at clarification. Social democratic is clear only to the extent that it does not represent the former socialism, while liberal is most likely used in the American sense and represents social reformism, which is neither conservative nor clear-cut economic liberalism. However, such an approach has already failed in the United States.

But even then, the approach is acceptable. As the name New Frontier Party indicates, the nature of the party is not clear, but the Liberal Democratic Party title is also unclear other than the fact that it is an "old party." However, I somehow get the feeling that the political world will be divided into three forces. If that should happen, dissolution and a general election will take place, and, faced with that reality, the current administration will probably consider those moves. Since the current coalition arrangement is more responsive to a House of Councillors election, political movements will probably intensify not before, but after the election.

The outlook after a general election is totally unpredictable. It is especially difficult to predict the nature of the coalition to be formed after the election. Differences and the type of coalition of political forces to be formed will probably be known only after the next election.

*** War Termed 'Explosive Issue'**

952B0082D Tokyo THIS IS YOMIURI in Japanese Jan 95 pp 50-52

[Article by Soichiro Tawara, political commentator: "How Should We Deal With Responsibilities Associated With World War II"]

[FBIS Translated Text] A Taboo Avoided Consistently by Japanese; Potentially Explosive Issue To Be Handled by Interim Cabinet

In a nutshell, the Liberal Democratic Party [LDP]-Social Democratic Party of Japan [SDPJ]-Sakigake [Harbinger] coalition administration is an interim government to serve until the next general election.

The reason the LDP allied itself with the SDPJ is that Diet members who had felt deprived as members of the opposition sensed a strong crisis that their party, which had fallen from power, would waste and merely sensed an extraordinary desire to regain governmental power regardless of the conditions.

They have neither an ambition nor an outlook as to how it will collaborate with the SDPJ in conducting governmental affairs.

And in the case of the SDPJ, it is a matter of choosing the better of two options consisting of the former coalition parties' proposals, which treated the SDPJ like "pariahs," and the LDP, which offered the seat of prime minister to the party chairman, but once the SDPJ assumed governmental leadership there was no expression of an ambition nor an outlook.

However, the LDP-SDPJ-Sakigake coalition government lacking an outlook and a vision has earned an unexpectedly good support rating which stood at 44.7 percent according to a YOMIURI SHIMBUN survey in October.

I once debated this issue with senior Diet members of the ruling and opposition parties.

The Hosokawa cabinet was inspired by its enthusiasm of being the first non-LDP government in 38 years, implemented political reform which the Kaifu and Miyazawa cabinets publicized but failed to gain approval, and surged ahead with full speed in an attempt to achieve decontrol of rice imports, administrative reform, tax reform, and anything associated with "reform." However, in the end, when subjected to minimal criticism, Hosokawa dissolved his cabinet, while the tottering Hata cabinet made a stumbling start but self-destructed.

The repetition of hazardous surges and failures on the part of such inexperienced groups in office was followed by the LDP-SDPJ-Sakigake coalition government, which lacked enthusiasm and an outlook. In other words, it is a do-nothing interim cabinet, but to that extent it projects the ambience of stability. Everyone can feel at ease. This was the end result of debate.

Being an interim cabinet, one can understand why the LDP and the SDPJ, which have consistently fought each other in the past, are now cooperating amicably. However, the interregnum will last only until the next election. There are hardly any LDP or SDPJ Diet members who think they will be able to cooperate in a House of Representatives election.

If an election takes place, cooperation will cease and the LDP and SDPJ will assume a confrontational stance. Moreover, the SDPJ will be at a clear disadvantage

under the small electoral district system. Additionally, the opposing forces will not only consist of the LDP, but will be subject to a squeeze tactic by both the LDP and the New Frontier Party, meaning that the trend will point towards the destruction of the SDPJ. This is why there is a strong sense of crisis within the SDPJ and an appeal for consolidation of democratic liberal forces. They are making an arduous attempt at appealing for existence as neither a part of the LDP nor as part of the New Frontier Party.

The question is, just how far can the democratic liberal forces encroach upon the LDP and New Frontier Party forces, though it appears there is little prospect of that happening. Rather if excessively hasty action is taken with respect to the consolidation of democratic liberal forces, there is a high probability that the SDPJ will disintegrate.

Other aspects that require watching are moves by the Komeito.

The Komeito has made a decision to split its party into two groups consisting of one element, which is composed of House of Representatives members and House of Councillors members up for reelection in summer 1995, going to the New Frontier Party and the other element, consisting of House of Councillors members not up for reelection, local government parliamentarians, party employees and employees of the party newspaper, remaining with the Komeito. The Komeito has as many as 3,000 local government representative members. While on a national Diet member level, it may look like the Komeito has already decided on a policy of joining the New Frontier Party, the majority of the party members, who are local government representatives, will be remaining with the Komeito, which is allied with the LDP as part of the "ruling party." The recent split in the party is considered as a form of "insurance."

If the New Frontier Party wins in the House of Representatives election, things will go well, but if it should lose and the prospect for becoming a ruling party diminishes, there is the possibility that the Komeito will attempt to ally itself with the LDP.

However, the most explosive issue that could possibly face the political scene in 1995 is how Prime Minister Murayama will dispose of the residual issues concerning end of World War II as we welcome its 50th anniversary. Prime Minister Murayama has already declared that he will announce a final disposition of outstanding World War II issues in connection with its 50th anniversary.

In disposing of these issues, this writer hopes a clear determination will be made as to whether it was a war of aggression or what portions of the war was a war of aggression. Further, if it was a war of aggression, Murayama must clarify responsibility for the war. And, if it comes to the point of questioning responsibility for war, we must reexamine the position of Emperor Showa, an aspect that was left vague by the occupation forces.

This issue has been completely avoided by Japanese as a taboo subject, and any attempt by the Murayama cabinet to delve into the topic may well cause its collapse. In fact, a more serious situation could arise. This writer would like to point to that topic as possibly the most difficult issue to face the nation in 1995.

* Third Political Force Expected

952B0082E Tokyo THIS IS YOMIURI in Japanese Jan 95 pp 52-54

[Article by Shigezo Hayasaka, political commentator: "General Election Will Halve Diet Membership of SDPJ"]

[FBIS Translated Text] Fanatical Scramble Among Third Political Force

The most urgent tasks confronting the Murayama administration is to completely decontrol the still remaining 10,000 or more controls, increase imports, enhance the buying power of the yen, reduce the persistent \$100 billion in foreign reserves, and stabilize the foreign exchange rate at \$1 to 100 yen. Murayama, Kono, and Takemura, the three coalition party leaders who comprise the national leadership, must take the lead in specifying the general direction and a concrete program to bureaucrats, establishing time limits, and sparing no effort at goal achievement. These are this writer's thoughts, but it is probably a case of asking for too much of a government which was hurriedly composed with only superficial capabilities. The Murayama administration is nothing more than an ephemeral apparition leading to the age of two-party politics. They say it is only the fool who would expect something of a ghost. The laughing-stock trio of three leaders will probably be able to maintain their leadership capabilities until the current special session of the Diet safely goes through a one-week extension and compilation of the fiscal year 1995 general account budget before the end of 1994. If the Murayama administration—which reduced the number of machine guns held by the Self-Defense Forces around Goma in Zaire from two to one because there was a casualty suffered by the expeditionary forces—can avoid a situation in which it must commit *harakiri*, using a majority as a stabilizing factor, will probably cover up controversial issues, postpone action on difficult issues, and survive past the point where New Year's Eve bells ring in 1995.

However, once the new year arrives, a number of turbulent political showdowns will take place. The New Frontier Party, which is to be controlled by Ichiro Ozawa, who is known for his ability to defeat an opponent even if he is politically wounded, is scheduled for launch on 10 December.

Once a one-month familiarization period passes, even the small electoral district-proportional representation system will be ready for implementation at any time after the dissolution and general election of the House of

Representatives. The new party groups will make a loud call for dissolution and a general election, and it will be inevitable that New Year editorials of newspapers will uniformly call for an early dissolution of the Murayama administration. Noboru Takeshita, who sits deep in the inner chambers of the political world controlling the current government through remote control, appears to be looking for a general election late in 1995, but circumstances will not permit such a delay.

Consolidated local elections will be held on the 9th and 23d of April and the scheduled election for the House of Councillors will be held in July. The New Frontier Party will feverishly pursue the completion of coordination relative to candidates by the end of 1994, and from the beginning of the regular Diet session to start around 20 January, will unmistakably approach the coalition government with vociferous demands for allocation of the vice speaker's seat and standing committee chairmen seats in proportion to its party representation in the Diet.

The Social Democratic Party of Japan [SDPJ], which has completely abandoned its former political principles, will become the focus of attention relative to political reform and reorganization. The Murayama administration, which is criticized as being internally incompatible like water and oil and a shotgun marriage, represents identical twins in the form of the Liberal Democratic Party [LDP] and SDPJ. The two parties symbolize brothers which were created by the dismal Japanese cultural climate of a totally collusive society of 100 million people permeated by interdependence, presumptuousness, and tolerance for numerous stifling customs. During the East-West Cold War, the Diet was used as a forum for determining the proper roles of labor and management and managing postwar Japan. We live in a society where we are quick to respond to a hint from another and where we communicate with our eyes as well as we do with our mouths. This is reality. Diet counter-measure *zoku* and members of the executive branch share in an amazing amount of secrets which they will not divulge no matter how much they are subjected to intense questioning. The SDPJ, which spoke words which were not a reflection of its true sentiments and which always expressed an array of prevarications, inevitably cast away its founding symbol like a flash of lightning when it won the prime ministership. It was wonderful that the party rid itself of problems accumulated over a period of 40 years, but it has now lost its leadership capacity and complete control of itself.

The current SDPJ is an assemblage of grave diggers. Murayama and leftist members of the cabinet Oide, Yamaguchi, and Nosaka, elders who pretend to be Nosaka leftist factionists, are all former Diet counter-measure *zoku* of dubious character. They dream of a new LDP-SDPJ party and alternate between fascination and insecurity, but there are fewer than 10 individuals who have collaborated in the approach. On the other hand, the real intentions of Kubo and Yamahana are unclear,

and they utter expressions about a new social democratic liberal party which does not go past a matter of mood and fashion and have expressed themselves in a manner which suggests they are about to abandon the SDPJ. But even this approach would fail to attract as many as 10 followers, if and when it became formal. The SDPJ, which has lost its sense of direction, conducts itself on the basis of individual interests and strategies, while the opposing forces have gained control of the majority, rendering the SDPJ incapable of making a move. As a final consequence, they change in name only, share the same circumstances but with differing dreams, conceptualize politics to the left, to the right, and middle of the road as if to secede from the SDPJ, have no productive energy, and if they should proceed to the general elections under the small electoral district system, they can be reasonably expected to lose half of their current Diet membership.

Both Takeshita and Ozawa are thoroughly versed in the real situation within the SDPJ. Both individuals will probably intrude into the affairs of the SDPJ to harass the malcontents, and the political situation after the end of the year should be turbulent and replete with change. It will not be strange no matter when the House of Representatives is dissolved and a general election takes place. In reality, the Murayama administration's foundation is fragile. Murayama is not qualified to be prime minister and is situated at the opposite pole. Predicting the shape of the new administration after the general election is like a statement made by a fortune teller in front of a railway station, but neither the LDP nor the New Frontier Party will be able to win a majority independently, and it will most probably become a situation in which a fanatical scramble takes place among the third political force such as the kaleidoscopic SDPJ and Sakigake.

* 'Negotiated Dissolution' Likely

952B0082F Tokyo THIS IS YOMIURI in Japanese Jan 95 pp 54-56

[Article by Hisayuki Miyake, political commentator: "Possibility of Negotiated Dissolution After Summer"]

[FBIS Translated Text] Collapse and Unexpected Alliance After New Year

The Murayama cabinet has contradicted the predictions of a "short-lived administration" at the time of its inauguration and is about to welcome the new year.

It has succeeded in winning approval for the Small Electoral District Apportioning Law, Tax Reform Law, Pension Reform Law, and Atomic Bomb Victim Aid Law; safely coped with all offensive actions on the part of the opposition; earned a moderate improvement in support ratings; and has apparently entered into a stable period.

However, this coalition government will not be able to avoid a sudden reversal and face a collapse once we enter the new year.

The first reason will be the disintegration of the Social Democratic Party of Japan [SDPJ], Prime Minister Murayama's own party.

The "New Democratic League" centered on rightists is critical of the Liberal Democratic Party [LDP]-SDPJ alliance and is searching for the proper timing to declare the launching of a new party, but for the short term it cannot alter its stance of supporting the Murayama administration, and although they speak of a collection of "socialist-democratic liberals," the Democratic Socialist Party [DSP] has already decided on joining the new party to be organized by the old coalition, Sakigake [Harbinger] is forming a third political force along separate policies, and the LDP shows no signs of joining with movements of this nature. Facing obstacles in every direction, contrary to heroic cries, the SDPJ shows no signs of disintegrating within the year.

However, even if one were to remain in the SDPJ, candidates throughout the nation are abandoning SDPJ certification and are running as independents in connection with the consolidated local elections in April, because of a drop in support for the SDPJ, making miserable defeat a foregone conclusion.

Further, during the House of Councillors election of July, 46 SDPJ members who were voted into office five years ago on the basis of opposition to the consumption tax will be up for reelection, but there are only three or four districts where the SDPJ will be able to gain the cooperation of the LDP, and it will be very difficult for the SDPJ to hold on to the 22 seats they won two years ago.

A desperate view is gaining strength in the New Democratic Alliance which says: "It will be too late once we suffer dismal defeat in two elections. We need to establish a new organization before the consolidated local elections." This may lead to the possibility that the group will leave the SDPJ and form a new party before the old coalition begins to operate its New Frontier Party and the political situation begins to change in January 1995 ahead of the Diet's next session.

Albeit a force of only 40 or 50 members from both houses, the SDPJ rightist group, centered around the social-democratic, liberal new party, embraces affinity with the old coalition, and if moves should surface on the part of the New Frontier Party for a submission of a no-confidence motion against the cabinet, the Murayama administration could find itself in a pinch.

The prospects are about 10 percent that a change in the political situation will include deadlock of the regular Diet session, resignation of the cabinet, or dissolution and general elections.

The second reason would be resignation to assume responsibility for defeat in the House of Councillors elections.

The House of Councillors members to undergo reelection under the pending election are individuals who were appointed to office after winning election in 1988 as the result of the momentum generated by electorate anger at the consumption tax and the Recruit scandal.

Election results comprising 46 seats including 20 million votes and 20 seats under the proportional elections and 15 million votes and 26 seats under the electoral district elections were of a proportion not recorded since 1956, when the left and right wings of the party consolidated and occupied 49 seats.

However, in the 1992 elections, the SDPJ fell back to results of several recent elections with 8 million votes and 10 seats under proportional elections and 5.8 million votes and 20 seats under electoral district elections.

The SDPJ will face even more difficult circumstances in the 1995 election. It is almost certain that they will drop to fewer than 10 seats in proportional elections, and LDP-SDPJ cooperation will be achieved in only a few electoral districts. The SDPJ will be attacked by both the LDP and the New Frontier Party in almost all electoral districts, and the situation inevitably points to membership in both houses of between 10 and 20.

If the SDPJ faces dismal defeat of historical proportions since its founding, even if we are speaking of just a House of Councillors election, the issue of responsibility will inevitably rear its ugly head.

The probability that the Murayama cabinet will have to resign rises to about 70 percent.

Other developments will depend on when the House of Representatives will be dissolved and a general election takes place.

Party leaders Murayama, Kono, and Takemura of the coalition government are all negative on an early dissolution, but now that the Small Electoral District Apportioning Law has passed, mass media commentary as well as public opinion will call for reelections and a new start under the new system and an intensified mood for dissolution.

Even if opposition offensives intensify on the part of the New Frontier Party in the first half of 1995, the Murayama administration might be able to survive by using the unalterable April consolidated local election and July House of Councillors election political schedule as an excuse to avoid dissolution, but there is a strong possibility that a negotiated dissolution will take place after the summer.

The shape of the government after the general election will depend on election results, but the birth of the LDP-SDPJ government has invalidated any confrontation between LDP and non-LDP forces and policy differences are minimal, leading to the potential situation where we will see an unanticipated appointment of a prime minister.

1995 Political Agenda

Date	Event
Mid-January	Visit to U.S. by Prime Minister Murayama (?)
Mid-Late January	Call for 132d Regular Session of Diet
February-March	FY95 Budget Draft Deliberations
End of March	FY95 Budget Approval (?)
April	Consolidated Local Elections
16-18 June	Advanced Industrialized Nation Summit (Canada)
July	House of Councillors Elections
September	UN 50th Anniversary General Meeting
November	Asia Pacific Economic Cooperation (APEC) Meeting, Osaka

* Turbulent Year Predicted

952B0082G Tokyo *THIS IS YOMIURI* in Japanese Jan 25 pp 56-58

[Article by Junya Yano, political commentator: "Prime Minister Obuchi Appointed After Recovery of Government Power"]

[FBIS Translated Text] **Collapse Improbable in Absence of Unforeseen Incident**

The year 1993 was the unlucky year in which the Liberal Democratic Party [LDP] forfeited government power and 1994 was the ill-fated year in which former Prime Minister Hosokawa resigned and the old coalition lost its ruling role. The question is, who is going to draw an unlucky number in 1995. The consolidated local elections and the House of Councillors election are pending, and it may be a breach of etiquette to say so, but the Social Democratic Party of Japan [SDPJ] will most likely suffer pathetic defeats in both elections.

The past two years witnessed the downfall of the LDP to opposition party status, the formation of the extraordinary LDP-SDPJ alliance, and sudden shifts between the Miyazawa, Hosokawa, Hata, and Murayama administrations. The absence of elections during that period will lead to a rise in a call for an expression of the popular will of the public, and general election maneuvers will intensify. This writer believes there is a strong probability of a dissolution and general election.

This writer feels the following two events marked substantively important changes during the past two years.

The first change involved the acceptance of the small electoral district-proportional representation election system under political reform on the part of Shinseito [Japan Renewal Party], the SDPJ, Komeito, and the Democratic Socialist Party [DSP]. Until then, the SDPJ, Komeito, Japan Communist Party, and the DSP stubbornly opposed the combined system and advocated a

combination or joint system. The reason was that the combined system would result in the elimination of small political parties and an end to the multiple party days. The establishment of the combined system has produced political parties which will inevitably face the fate of dissolution for the purpose of combining themselves with major political parties.

The second change involved the support of Kaifu as prime minister candidate at the end of June 1994, defeat at the hands of Murayama of the LDP-SDPJ-Sakigake alliance, and the forfeiture of government powers by the old coalition. There is the possibility that the small electoral district-proportional representation election system will function to the advantage of the ruling political party. If the election were to be held under the new system with the popular Prime Minister Hosokawa heading the ruling party, it probably would have realized overwhelming victory with destructive defeat suffered by the LDP. Even after resignation of the Hata cabinet, the LDP would have faced a tough battle, as long as the SDPJ was restored to the coalition. However, restoration to ruling party status enables the LDP to enter into an election with an advantage. The election will probably be followed by retention of Murayama or appointment of Obuchi as prime minister.

Considerable confusion is being experienced by Ozawa and politicians of the former Shinseito because of their first experience as part of the opposition after serving as part of the ruling party over an extended period. Each faction faces a variety of internal problems, leadership capabilities are in question, and there is the risk each will fall apart. The current opposition is extremely irresponsible. In any event, unless they win in an election and return to ruling party status, they will be subjected to deprivation and eventual collapse. They figured first priority had to be given to the construction of a new framework and establishment of a new party.

The Soka Gakkai shied away from being considered in favor of only the New Frontier Party, and votes controlled by Soka Gakkai members will go to both the Komeito Diet members who joined the old coalition forces forming the New Frontier Party candidates as well as LDP candidates. Such an approach reflects the Komeito's objection to being controlled entirely by political logic and is appropriate for a religious organization. In the past, Ozawa proselyted Diet members of other parties by using Soka Gakkai votes as an inducement by "promising Soka Gakkai votes" in future elections. It appears Ozawa's influence will recede further because of the recent decision by the Soka Gakkai. Shinichiro Kurimoto is quoted in a weekly magazine as making the extreme statement, "Already, 90 percent of the Shinseito members have disassociated themselves from Ozawa." New Frontier Party members who were depending on Soka Gakkai votes have made a major miscalculation which could possibly turn out to be a fatal error.

We speak of a ruling party composed of the LDP, SDPJ, and Sakigake, but everyone was amazed to see the LDP

and SDPJ, whose catch phrase used to be "conservative-reformist confrontation," form an alliance. However, I had expected such an outcome since the end of 1993 as predicted in my book titled *Rebellion or Change*. The reason was simple. An LDP agonizing over its plight as an opposition party felt it was willing to team up with the devil, if necessary, to restore itself to ruling status and in relation to the Hata administration represented "an enemy's enemy is an ally."

Initially, the LDP-SDPJ-Sakigake administration was exposed to considerable criticism as representing a shotgun marriage, but it is enjoying stability as a result of benefiting from the popularity of Murayama. Unless a sudden incident of considerable magnitude erupts unexpectedly, it does not appear to be vulnerable to collapse. The administration has indicated a desire to avoid a general election for about two years. If at all possible, its plan calls for solidification of its electoral base through the process of preparing the budget for about two years. It also considers such a stance to be a form of psychological harassment against the opposition and a way to reduce their electoral support.

However, even though a part of a ruling party, SDPJ Secretary General Kubo has intensified his feeling of crisis and embraces the "democratic liberal new party" concept with enthusiasm. He has even expressed the willingness to undergo a split in the party according to a statement attributed to him in the *SHUKAN YOMIURI* in which he says: "If individuals who can only think of preserving the old SDPJ ways should obstruct reform, a split in the party will be unavoidable." Prime Minister Murayama faces many problems. Distrust of politics is in an increasing trend. Expectations for accomplishments by a third political force exist and cannot be minimized. Many problems exist both domestically and internationally. If either the ruling or opposition parties make a single mistake, the nation could face crisis. That being so, we face a new year full of turbulence.

* Former MITI Minister on Current Politics

952B0090A Tokyo *SEIRON* in Japanese Jan 95 pp 188-198

[Interview with Kozo Watanabe, former minister of international trade and industry, by Shinzo Oshima; date and place not given]

[FBIS Translated Excerpt] Sworn Ally of Ichiro Ozawa and Politician of the New Age

[Oshima] You now have 25 consecutive years of service as a Diet member, do you not?

[Watanabe] It seems like a very short period in a way, but a long period in other ways. I was initially elected in the Sato cabinet days, and the post-Sato period was noted for the fact that factional politics flourished under Takeo Miki, Kakuei Tanaka, Masayoshi Ohira, and Takeo Fukuda.

[Oshima] It was a good move for you that you did not remain a prefectural legislator forever and to have made a bold move to run for national office.

[Watanabe] Yes. Timing is an important factor relative to elections. When one views those who have failed, he notes that they ran for office when they should have refrained from doing so. Or, they failed to run when they should have. Even baseball and golf are not totally dependent on capabilities. Good timing is critical to producing the desired results.

Neither the bureaucracy nor family background had anything to do with my winning in elections, and I have been consecutively reelected for nine terms. I should be very grateful for my good fortune. This is especially so when you consider that even the Social Democratic Party of Japan [SDPJ] and Japan Communist Party have members who are second-generation Diet members. [passage omitted]

[Oshima] Immediately following the birth of the Murayama cabinet, you commented that that cabinet was born out of a personal grudge. What specifically did you mean by personal grudge?

[Watanabe] Candidly speaking, I was referring to the grudge held against the Ichiro Ozawa-Yuichi Ichikawa policies. It was a cabinet that was born because of a personal grudge against Ichiro Ozawa and Yuichi Ichikawa. The creation of that cabinet was not a logical event, no matter who were to consider it, and conflicted with the historical flow of events.

It was a case where policy issues were cast aside and the extreme right and extreme left forces joined hands to establish a cabinet from a very inappropriate perspective. It is odd that Japanese politics must change because of a grudge against one or two persons.

[Oshima] Well, it might be an administration born out of a grudge, but the impact was a change in the policies of the SDPJ.

[Watanabe] No, not exactly. The SDPJ had already undergone a docile policy conversion in July of last year. Rightist members of the SDPJ led by Wataru Kubo embraced a common perception on diplomacy, defense, and energy, and collaborated in the installation of the Hosokawa cabinet. However, leftist members of the SDPJ opposed such moves and attacked Kubo's positions. That led to the destruction of the old coalition government created by the will of the people.

Just as Kubo and his group attempted a policy conversion through extraordinary efforts, leftists of the SDPJ who put up the greatest resistance did an about face and joined hands with the power-hungry elements of the Liberal Democratic Party [LDP] because of their grudge against Ichiro Ozawa-Yuichi Ichikawa policies.

It was not a case where a policy conversion took place, but one in which policies and doctrine were abandoned

amidst a move to affiliate with members of the power-hungry LDP because of a personal grudge. It was Kubo who attempted a policy conversion of the SDPJ when the old coalition was created.

[Oshima] Is it true that the old coalition government considered a possible prime minister Sadao Yamahana or a prime minister Kubo, prior to the collapse of the Hosokawa administration?

[Watanabe] We must cherish the framework used in organizing the Hosokawa cabinet. Accordingly, we felt that doing so would dictate that either Yamahana or Kubo would be acceptable, if Tsutomu Hata were not acceptable. However, the LDP made a decision to go with Murayama in a very quick fashion. Regrettably, it would probably be accurate to say that we were outwitted, but as we were considering such moves, the LDP made a decision to nominate Tomiichi Murayama as the next prime minister.

[Oshima] I feel sorry for Hata.

[Watanabe] Cabinets over the years have failed because of scandals or policy errors. Hata is probably the first prime minister to leave office for no fault of his own. There was really no reason for him to leave office.

[Oshima] Had the old coalition been overly optimistic?

[Watanabe] Needless to say, there were lessons to be learned. Just when Kubo was making a desperate effort at political collaboration, there were some among us who had taken a disdainful posture against such efforts. It was definitely a case where some individuals in that group took the optimistic view that the LDP could hardly be expected to support a leftist of the SDPJ to form an SDPJ cabinet. It was a case where the unexpected became sudden reality.

If the SDPJ Is To Sit and Wait for Death

[Oshima] Who is the LDP's Ryuma Sakamoto who organized the Satsuma and Choshu clan alliance of the Heisei era?

[Watanabe] That must have been Seiroku Kajiyama. I believe he was plotting the move for some time. Two or three days merely served to provide for the surfacing of the phenomenon, while the actual plotting was taking place for several months.

[Oshima] Would you call that a shrewd or a brilliant move?

[Watanabe] It should be called spectacular.

[Oshima] Are you saying you had no idea of what was happening, until it actually surfaced.

[Watanabe] No. I knew that Kajiyama was undertaking such a move, but we were also skeptical about his going through with the idea. In our case, we had always totally accepted the political coordination efforts of the SDPJ and interpreted as SDPJ actions those represented by

Kubo, thus proceeding with the idea of resolving issues in a peaceful, amicable manner, somewhat in contrast with the posture taken by Ozawa and Ichikawa.

[Oshima] Were Ichiro Ozawa-Yuichi Ichikawa policies tough on the SDPJ?

[Watanabe] Ozawa and Ichikawa both insisted that doctrine and policy should both be given the highest of priority in organizing a cabinet. This is a truly sound argument.

In contrast, our group felt that even if some degree of compromise were to take place on policy and doctrine, it was more important to preserve the then current administration. However, far beyond such thinking, the LDP had been plotting behind the scenes to abandon policy and doctrine and to create an SDPJ cabinet.

[Oshima] I see that your ideas differed from those of Ozawa at that time.

[Watanabe] I was of the position that we should compromise with the SDPJ. I was aware of Kajiyama's behind-the-scenes maneuvers and had the concern that any aggressive move on our part might result in the loss of the SDPJ to the LDP.

[Oshima] There is no mistaking the fact that Noboru Takeshita was manipulating the situation from behind Kajiyama.

[Watanabe] That is a persistent story circulating through society. I, however, am not aware of the specifics concerning the facts behind the story.

[Oshima] Who is the strategist for the SDPJ?

[Watanabe] Both Murayama and Kajiyama served as diet countermeasures committee chairmen of the respective parties and live in the same Diet members dormitories located in Kudan. Koken Nosaka also occupies space in the same Diet members dormitory.

[Oshima] Are you speaking of an alliance among diet countermeasure specialists? A government change drama which saw so much inter-personal maneuvering on a bipartisan basis of this extent was certainly extraordinary.

[Watanabe] We speak of political parties, but under such circumstances, they are the same as factions. The reason is that differences have disappeared in terms of broad policy issues.

[Oshima] Now that you have been defeated, is it now time to strip the SDPJ of governmental powers?

[Watanabe] I feel stripping of government powers is not a good way of putting it, but I am hoping that the SDPJ will correct its course in the proper direction. If the SDPJ and LDP, which have crossed horns for 40 years, were to engage in an election on a coordinated basis and succeed, we would see the embodiment of ultra-nationalistic government reminiscent of the type enforced during

World War II, and if they should fail in the elections, we would see the demise of the SDPJ from the face of the earth.

In any event, an election will probably signal the death of the SDPJ. If one were to perish while sitting idly in a passive mood, political principles would probably dictate that one should go down while putting up a good fight.

[Oshima] The SDPJ has now violated all of its election promises, but would that fact make a good target for attack?

[Watanabe] We are in somewhat of a fix. If the SDPJ had violated its election promises in a serious way, we could raise our voices in loudly criticizing their breaking of public commitments, but they have violated their commitments in a manner which brings them closer to our own policies. This is what makes it difficult for us to attack their commitment violations.

However, even then, we can remind ourselves that the electorate will cast their votes after reading the public commitments. Now that the SDPJ has totally abandoned their public commitments in such a manner, I believe they should make a frank apology to their constituents about their change of heart.

Logic Justifies Inability To Decide [passage omitted]

[Oshima] Is it a case where Ozawa has no ambition of becoming prime minister and president of the party?

[Watanabe] Some time ago, Masayoshi Ito was encouraged by many to become prime minister, but he declined. This story became so well known that there probably is no one that is not aware of it. However, Ozawa is an individual who has been encouraged to become prime minister even to a greater extent, but has declined the suggestion.

When Kiichi Miyazawa became prime minister following Kaifu, our group, known as the Keiseikai, was in control of one-third of the LDP. Our group was followed by the Hiroshi Mitsuzuka group and the Michio Watanabe group. Otherwise, there was the Toshio Komoto group, aside from Miyazawa.

At that time, Mitsuzuka, Watanabe, and Komoto said they would support Ozawa for the position of prime minister. If Ozawa would have accepted, 80 percent of the party would have supported him for the prime ministership. It was only the Miyazawa faction which did not reveal its position.

I exerted quite an effort in trying to convince him. In fact, everyone tried to convince him, but Ozawa declined saying: "I am not ready." At that time, Ozawa had not reached his 50th birthday. It took much determination on his part to decline the position of prime minister in his forties. Facts of that nature were hardly ever covered

by the mass media, and only stories covering oral examinations relative to job applications gained wide coverage. The mass media failed to cover the good aspects of Ozawa as an individual.

[Oshima] Does health have anything to do as a reason for declining the position of party leader?

[Watanabe] No. I don't think that is the case. If everyone encourages an individual to accept the position of party leader, he will probably agree to do so.

[Oshima] Do you currently believe that Ozawa would make an acceptable party leader?

[Watanabe] Currently, I am refraining from making any statement on who I would recommend for the position. I may seem irresponsible, but in the past, I have assumed the role of consolidating final positions and, under current conditions, I have tried to refrain from taking sides.

Unless I assume such a role, even matters that could be brought to a conclusion just might fail to reach that stage. It may seem to be an irresponsible approach, but I take the position that we should consolidate our positions at a point where we can form a consensus. After all, we should remain aware of the fact that there are as many as 10 individuals that would qualify as party leader.

I Never Stray Away From a Close Association

[Oshima] I have heard that a bit of parting of ways has occurred between you and Ozawa, but have you felt such a perception?

[Watanabe] None whatsoever. Our relationship is as I just described. While I express myself frankly about the good and bad aspects of individuals, I have no deep feelings beyond what is apparent in my statements. My attitude in this respect has always been the same and reflects our association over the past 25 years.

[Oshima] Were both of you first elected to the Diet in the same election?

[Watanabe] Yes, the same election. [passage omitted]

[Oshima] Does it mean that you can speak to him like a Dutch uncle since he is of the same seniority as a Diet member?

[Watanabe] I pride myself on being Ozawa's best friend in terms of viewing his political activities with a favorable posture in my 25 years as a politician. However, currently individuals who aspire to fill key positions in the new party visit Ozawa daily, but I do not engage in such activities. I will not do anything that would be construed as being obsequious to Ozawa. That pretty much summarizes my attitude towards him.

As long as Ozawa performs according to good principles, I can remain a bystander. If he does something wrong, I rush to his side to advise him of my views. I believe that

is the role I should play. Currently, Ozawa is doing his best to handle press and television conferences and is showing up at all sorts of meetings, and performing well in this respect, enabling me to be an idle bystander.

[Oshima] Ozawa has a tendency to express his frank feelings. In a way, that approach makes for good impressions, but at times it creates animosity. Are there times, as an intimate associate, that you feel like giving him some advice?

[Watanabe] Whenever I feel that way, I have spoken my mind on the situation. Earlier in this discussion, you mentioned a parting of ways between the two of us, but I feel that Ozawa is performing so well at this point that there is no need for me to be critical. That being the case, I have not visited Ozawa much in recent days. Whenever Ozawa is plagued by difficulties, I remain by his side.

[Oshima] I would say that friendship between politicians is as fragile as glass.

[Watanabe] Our friendship has not been broken for 25 years.

[Oshima] Have you ever had any disagreements?

[Watanabe] None. We had some differences of opinions when the Soseikai was established. At that time, Kajiyama and Ozawa assumed an aggressive stance and I assumed a cautious stance.

[Oshima] Have you parted ways with Takeshita?

[Watanabe] I believe no changes have taken place whatsoever in my personal relationships with Takeshita.

No Elections Until Fall of Year After Next

[Oshima] This is the first time in 25 years of a political career that you have been without a leader, is it not?

[Watanabe] Yes. You are certainly right.

[Oshima] Don't you feel lonely...to be leading a life without a leader?

[Watanabe] Yes. But this is one thing regarding which I have no choice. I have a tendency of coping with matters as they cross my path, without making a special attempt to alter their course. You might be able to label that as being inept at coping with life's issues and a reason why I did not go far in my career. Even in the case of Ozawa, I have always considered him to be a consistent ally. There is no change whatsoever in this respect.

Earlier in this discussion, mention was made of a parting of ways between Ozawa and myself, but I will not make any statements that would make me a sycophant in relation to Ozawa even if such misunderstandings do exist. Concurrently, Ozawa will not do anything unusual to better our relationships. Needless to say, if a problem should arise and there is a need to consult each other, we would do so. I feel that such an approach is a reflection of true friendship.

[Oshima] You mean to say you do not want to become a follower.

[Watanabe] No. It is not an issue of whether I do or do not want to become a follower. I am merely saying that I am a good friend and ally of Ozawa.

[Oshima] Hajime Tamura once made an interesting statement. He had seen Ozawa in the hallway of the Diet building. He laughingly stated: "He looked more impressive than the prime minister."

[Watanabe] Whether good or bad, the general impression is that the Japanese political situation is influenced primarily by Ozawa. The SDPJ and the LDP joined hands primarily because they embraced anti-Ozawa feelings.

[Oshima] Come to think of it, perhaps a large part of such sentiment originates with a grudge held against Daisaku Ikeda which underlies the Ichiro Ozawa-Yuichi Ichikawa line.

[Watanabe] I do not feel that way at all, because I do not think that Ikeda has the impact on Japanese politics that society as a whole attributes to him.

[Oshima] I kind of feel that the day will come when we find that once an election under the small electoral district system is over, a considerable number of the districts are controlled by the Komeito which was supposed to have been dissolved.

[Watanabe] I would say you are overrating the Komeito.

[Oshima] It may be a case where I am not wrong.

[Watanabe] That may happen in some regions. I don't think that will happen in the countryside. However, the Komeito exercises considerable influence in Tokyo, Osaka, and Kanagawa.

[Oshima] Are you saying you'll win with a bang, even under the small electoral district system?

[Watanabe] Frankly speaking, I have been garnering votes from the nationwide electoral districts and the small electoral district system places me at a disadvantage. However, now that I have served so many years, as long as my constituents back home evaluate my record fairly, they should cast enough votes for me so that I can be reelected.

[Oshima] Will elections be held next spring?

[Watanabe] No. I think they will take place some time further out in the future. If I were a leader in the LDP or the SDPJ, I would not call for an election until the fall of year after next.

[Oshima] Isn't it a case where the new parties would rather have the election postponed until that time?

[Watanabe] No. As far as the Shinshinto [New Frontier Party, NFP] is concerned, I think it would fare better if the election were held as early as possible. The reason is

that the significance of the small electoral district has changed. When Gotoda spoke of political reform and the small electoral districts, he was mindful of the opposing camps represented by the LDP and the SDPJ and small electoral districts in which elections would focus on policy issues.

However, the realities of the political situation have changed before party reorganizations, and future elections will not focus on policy issues.

Regrettably, the next election will probably center on power and pork-barrel promises to constituents by elected officials. Thus, any government in power will do everything in its power to extend its term for one or two years to take credit for compiling the budget two or three times and to exercise its influence in the next election in destroying the Shinshinto. It is a case where those in the current administration would like to remain in power as long as possible, while the opposition would like an early election. In any event, public opinion circulated in the mass media at election time will have a decisive impact.

[Oshima] Then does that mean that there will be no dissolution of the Diet?

[Watanabe] That's hard to say. After all, dissolutions take place by force of circumstances.

Politicians of the New Age Should Be "Non-Political Individuals"

[Oshima] We are about to witness the launching of the Shinshinto, but I would imagine the party will be facing a number of challenges.

[Watanabe] We must not allow the LDP-SDPJ administration to succeed. If we were to allow them to succeed, the government will be analogous to the old national railways system. We must always have two political parties which are capable of taking over the government. Such an arrangement satisfies the principle of competition. The absence of the competitive element led to incidents such as the Recruit and Sagawa scandals. An ironclad rule of democracy is that an administration can be replaced whenever it makes a mistake.

We are proud of the fact that arranging for the success of our new party will bring eternity to Japanese democracy. I visualize many difficulties, but we do not have the privilege of opting for other alternatives.

[Oshima] Have you decided on a location for the new party headquarters? I would assume that you are not thinking of the SDPJ headquarters in Miyakezaka, after chasing out the leftists (laugh).

[Watanabe] Truthfully, we first thought that would be a good idea (laugh).

[Oshima] I image the most difficult task is the assignment of candidates to the electoral districts.

[Watanabe] When it comes to tasks of that nature, Ozawa possesses overwhelming know-how. That is one reason why I admit to being able to substitute for Hata at any time, but unable to do so for Ozawa.

Viable candidates capable of running for office on a nationwide electoral district basis include Tanaka, Takeshita, and Ozawa. This is why I am aware of Ozawa's shortcomings, but nonetheless remain his best friend and vital supporter under critical circumstances.

Those who aspired to become politicians called upon Tanaka in the older days, next those with similar aspirations would visit Takeshita, and now those with such aspirations visit Ozawa. The visitors ended up carrying the symbol of such leaders. It is a case where I would not be able to immediately substitute for Ozawa.

[Oshima] What sort of candidates are you looking for?

[Watanabe] Now that the times have changed completely, perhaps we are looking for candidates with a nonpolitical background.

[Oshima] What do you mean by a nonpolitical individual?

[Watanabe] In foreign countries, we see former ministers managing a company. An individual who was a college professor suddenly becomes a minister. They tend to shift between the political, business, and academic worlds. In Japan, once an individual serves as a politician, he finds it impossible to work in the business world. That situation gives birth to the likes of Kenzaburo Hara (laugh).

If I could become a college instructor tomorrow and a college instructor can become a minister tomorrow, it would be a good way to bring politics closer to the general populace here in Japan.

Postscript for Foregoing Interview

When I interviewed Ichiro Ozawa two years ago, I remember he said: "Insofar as the seating arrangements at Imperial Palace functions go, I sit at the very end of those with the same seniority." He added, "Finance Minister Hata, MITI Minister Watanabe, and Transportation Minister Keiwa Okuda have all served as ministers on three different occasions. Their records are far more impressive than mine." Hata subsequently served as prime minister widening the gap between him and Ozawa. One wonders if Ozawa has no interest in positions and titles. He is an enigmatic politician.

Kozo Watanabe claims that the Murayama cabinet was born out of a personal grudge against Ozawa. Conceivably there are other reasons, but it is probably definite that a grudge served as the primary motivation for establishment of the current administration. Paradoxically, we could say that Ozawa was the creator of the Murayama administration. An Ozawa who gives birth to a government whether or not he makes a move on his own is an increasingly mysterious politician.

Watanabe is one of the few individuals who can speak frankly with Ozawa. However, as Ozawa becomes more powerful, relationships with a long-time ally could become delicate and bothersome. The question is, will their friendship continue forever without regard for such matters? Even friendship is an unpredictable quality.

Murayama Instructs Mergers of Financial Groups *OW1402025595 Tokyo KYODO in English 0204 GMT 14 Feb 95*

[FBIS Transcribed Text] Tokyo, Feb 14 KYODO—Prime Minister Tomiichi Murayama instructed ministers Tuesday [14 February] to finalize a decision on proposed mergers of government-funded financial institutions by the end of March, government officials said.

As part of the streamlining of 92 publicly funded special corporations, Murayama's three-party coalition earlier failed to iron out differences over proposed mergers of government financial institutions.

The coalition earlier said the decision will be made before the end of the current 150-day Diet session in mid-June.

Management and Coordination Agency Chief Tsuruo Yamaguchi reported to a cabinet meeting Tuesday a final draft to reorganize government-funded public corporations, government officials said.

Under the plan, 14 public corporations will be merged with other government bodies, one public corporation will be liquidated, while three corporations will be privatized.

The cabinet will formally endorse the plan in the near future, the officials said.

Murayama set a deadline of Feb. 10 to draft a plan to streamline government corporations as part of efforts to reduce government spending in September last year when the government announced a package of tax reform centering on an increase in consumption tax from the current 3 percent to 5 percent in 1997.

Meanwhile, Murayama gained support from LDP Secretary General Yoshiro Mori for his proposed deadline at the end of the fiscal year on March 31 for completing talks on revamping public financial institutions.

Referring to the party's meeting of five top leaders Tuesday morning [14 February], Mori told reporters that he pressed Koichi Kato, chairman of the LDP Policy Affairs Research Council, to come up with a conclusion as soon as possible.

He cited a series of local government elections in April as the key reason why coalition leaders agreed Saturday to extend the March 31 deadline until the end of the current Diet session in June.

Defending a return to the original timetable, Mori said, "our basic stance was to work on it as quickly as possible, and there were voices favoring the end of the fiscal year (as the deadline)."

Mori said overhauls of the fiscal investment and loan program that finances public corporations will not be discussed by a coalition project team.

"I haven't officially heard of taking up the project as a team," Mori said, indicating that discussions will be limited to the issue of streamlining public financial institutions.

Meanwhile, another senior LDP member expressed objections to Takemura's intention to start from scratch, saying the coalition should inherit previous discussions.

Tokyo To Start Reform of Public Lenders

*OW1302121695 Tokyo KYODO in English 1025 GMT
13 Feb 95*

[FBIS Transcribed Text] Tokyo, Feb. 13 KYODO—Vice Finance Minister Jiro Saito said Monday [13 February] the government will start from scratch in reviewing government-backed financial institutions for administrative reform.

His statement seemed to indicate Finance Minister Masayoshi Takemura's proposal of two mergers would no longer be considered.

Takemura withdrew his proposal to merge the Japan Development Bank and the Hokkaido Tohoku Development Corp., as well as integrate three finance corporations for smaller businesses, after the ruling coalition parties last week sharply disagreed on proposals. A final decision on the reform has been postponed for several months.

Saito said at a press conference that Takemura's proposal was only part of the process of discussions. He quoted Takemura as saying the government will again discuss realignment of publicly funded lenders starting with a "blank slate."

The ministry will wait for more discussion among the ruling coalition parties, Saito said.

Asked about the possibility of submitting a list of depositors at two financially troubled credit unions—Tokyo Kyowa and Anzen—to the Diet, Saito said his ministry has studied the issue with regard to the protection of privacy and added that there is no precedent for such disclosure.

Takemura: Bank Reform by 31 Mar 'Difficult'

*OW1402062495 Tokyo KYODO in English 0555 GMT
14 Feb 95*

[FBIS Transcribed Text] Tokyo, Feb. 14 KYODO—Finance Minister Masayoshi Takemura said Tuesday [14

February] it will be difficult to finalize proposals to realign government-backed financial institutions by the end of March.

Takemura said at a press conference, "facing similar difficulty is a foregone conclusion" if the government tries to end discussions on rationalization of government-affiliated financial institutions by the end of fiscal 1994 as requested by some cabinet members.

Failing to iron out differences over proposed mergers of publicly funded financial institutions, the government and each of the three ruling coalition parties agreed Saturday to extend the deadline for the final decision until the end of the current Diet session in mid-June.

Backed by some ministers, however, Prime Minister Tomiichi Murayama reportedly called for a conclusion in the matter to be reached by March 31.

Takemura said although such ideas were raised at an information gathering meeting after a regular cabinet meeting earlier in the day, there is no agreement yet and heads of the ruling coalition parties are supposed to hold discussions later.

"I have yet to be informed of such a policy change" to bring forward the target date to March 31 from mid-June as previously decided by the ruling parties, Takemura said.

Because of slight differences in stance among cabinet members, it is difficult to conclude the issue within a short time, Takemura said, noting the need for a certain period of time.

While calling for comprehensive discussions to include the nation's investment and loan program, which finances government-backed financial institutions, Takemura admitted common understanding has yet to be made among cabinet members.

Takemura denied reports that he withdrew his early proposal to combine the Japan Development Bank with Hokkaido and Tohoku Development Corp., as well as to merge three financial corporations into smaller businesses.

"I have not withdrawn my proposal, although I'm not sticking to it," Takemura said.

Takemura said his proposal had almost been accepted by mandarins at the Finance Ministry.

He told reporters he has just said the ruling coalition parties would restart discussions from scratch with a "blank slate."

Turning to two financially troubled credit unions—Tokyo Kyowa and Anzen, Takemura called for thorough investigation of management responsibility from every viewpoint, including civil and criminal actions.

The Bank of Japan and private financial institutions established a new special bank, Tokyo Kyodou Bank, to

take over on March 20 the two credit unions, which are suffering huge bad loans, with a view to stabilizing the nation's credit order.

Takemura said the Finance Ministry has already known of the chaotic management of the two credit unions and the new special bank is not aimed at relieving them.

"It is an exceptional measure to avoid confusion in financial systems, not to save the credit unions themselves," Takemura said, calling it "the best and only way."

Coalition Heads Agree on Deadline for Reform

*OW1402143395 Tokyo KYODO in English 1412 GMT
14 Feb 95*

[FBIS Transcribed Text] Tokyo, Feb. 14 KYODO—The heads of the three ruling coalition parties reaffirmed the need on Tuesday [14 February] to draw some conclusion on proposed streamlining of government-affiliated financial institutions by the March 31 end of fiscal 1994.

The three coalition chiefs were Prime Minister Tomiichi Murayama of the Social Democratic Party [of Japan], Foreign Minister and Deputy Prime Minister Yohei Kono of the Liberal Democratic Party and Finance Minister Masayoshi Takemura of New Party Sakigake [Harbinger].

They also effectively agreed to separate a review of the government's loans and investment system, which is based on postal savings and other public funds, from the currently proposed merger of some publicly funded financiers, Chief Cabinet Secretary Kozo Igarashi told reporters.

The meeting of the three coalition heads came as the premier sought earlier Tuesday to draw some conclusion on the question of the merger of government finance corporations by the end of the current fiscal year, not by the June 18 close of the present Diet sitting, the deadline set by the ruling parties on Saturday.

The governing parties failed Saturday to reach agreement on a proposed realignment of financial institutions, postponing a final decision until the end of the current regular Diet session.

However, Murayama abrogated the agreement and set a fresh deadline of March 31 as he faced calls Tuesday from some cabinet ministers on the need to draw a conclusion on the handling of financiers before the session ends.

At Tuesday's gathering, the premier sought cooperation from Kono and Takemura in settling the issue by the end of March, not by the finish of the present Diet sitting, according to Igarashi.

Igarashi said the three leaders agreed that they will have to make efforts to reach a conclusion by March 31.

Despite failure to strike a deal on the merger of some government-backed financial institutions, the ruling forces did decide Saturday to abolish or integrate some other special public corporations.

Earlier Tuesday, Takemura pointed to the difficulty in reaching a conclusion should the coalition discuss a review of the government's loans and investment system as part of efforts to streamline public financial institutions.

"It is that we will strive to do by the end of this fiscal year what we can do now, while trying to deal with the longer-term issues such as the loans and investment system with all due care," Igarashi said.

Murayama, Kono and Takemura also compared notes on the government's efforts to assist people affected by the Jan. 17 great Hanshin quake and rehabilitation of the area as well as various tasks of Murayama's eight-month-old administration, Igarashi said.

Agricultural Cooperatives Mergers Increasing

*OW1102093295 Tokyo KYODO in English 0847 GMT
11 Feb 95*

[FBIS Transcribed Text] Tokyo, Feb. 11 KYODO—Mergers of agricultural cooperatives in Japan are increasing to deal with intensifying competition in the financial market and the enactment of a new food control law based on principles of competition in rice marketing, farm officials say.

Japanese agricultural cooperatives offer financing and insurance services in addition to gathering farm produce and buying and selling fertilizers.

Many of them are experiencing poor financial performance after being hard hit by the collapse in the early 1990s of the speculative "bubble economy," which was characterized by a surge in real estate and stock prices.

Some have huge problem loans to financially troubled housing loan companies.

Mergers of agricultural cooperatives increased after a law was implemented in 1961 to promote mergers of cooperatives, based in individual farming communities.

The number of agricultural cooperatives in Japan, which totaled more than 10,000 in the early 1960s, had decreased to 2,719 by June 1, 1994.

The number is expected to decrease to less than 600 by the year 2000, with recent moves to scale up Japanese farming for improved efficiency leading to new mergers, the officials said.

The number of cooperative employees, however, has increased slightly, the officials said, adding that improved efficiency through mergers hinges on personnel cutbacks.

First Rise in Machinery Orders in 4 Years Seen*OW1402082095 Tokyo KYODO in English 0748 GMT
14 Feb 95*

[FBIS Transcribed Text] Tokyo, Feb. 14 KYODO—Japan's private-sector machinery orders in 1994 rose for the first time in four years, the Economic Planning Agency (EPA) said Tuesday [14 February].

Orders, excluding those for ships and from electric power companies, grew 2.7 percent to 10,934.9 billion yen during the year, the agency said.

Orders from the manufacturing sector increased 0.3 percent to 4,673.9 billion yen, up for the first time in four years, while those from the nonmanufacturing sector grew 4.2 percent to 6,257.5 billion yen, rising for the first time in three years, the agency said.

Private-sector orders including volatile orders for ships and from electric power companies slipped 1.1 percent to 13,365.0 billion yen, down for the third year in a row.

Overall machinery orders, including volatile orders, and those from the public sector and overseas, totaled 24,708.4 billion yen, down 0.1 percent from the previous year, and marking the third straight year of decline, the agency said.

In December last year, private-sector machinery orders, excluding orders for ships and from electric power companies, grew a seasonally adjusted 9.1 percent from the previous month to 995.1 billion yen.

The strong month-on-month rise followed the 0.1 percent increase in November, a drop of 1.8 percent in October, and a 1.0 percent rise in September.

"We can say from the figures that machinery orders are gradually increasing, instead of following a zig-zag pattern as previously," an EPA official said.

The orders were up 8.7 percent from a year earlier, rising for the seventh consecutive month.

Orders from manufacturers totaled 419.9 billion yen, up 7.3 percent from the previous month and up 9.5 percent over December the previous year.

Orders placed by nonmanufacturers came to 534.5 billion yen, up 2.1 percent from November and up 5.9 percent from the year before.

Private machinery orders, including those for ships and from electric power firms, came to 1,176.0 billion yen, up 4.0 percent from the preceding month and up 0.7 percent from the previous year.

Overall orders totaled 2,248.0 billion yen, rising 11.0 percent from the previous month and up 6.3 percent from a year earlier.

Orders from agencies which mainly reflect demand from small- and medium-sized companies, increased 5.6 percent from the previous month and up 8.7 percent from the year before to 137.9 billion yen.

The only sector where demand shrank in December was the public sector. Orders there slid 4.4 percent from the previous month and 2.0 percent from the preceding year to 295.3 billion yen.

For the January-March quarter of 1995, the EPA forecasts that machinery orders will be strong. Excluding orders for ships and those from electric power firms, the agency expects private orders to rise 5.3 percent from the preceding quarter to 2,967.47 billion yen.

When the volatile orders are included, private orders should come to 3,654.74 billion yen, up 8.3 percent from the preceding quarter, it predicted.

The agency official said none of the figures reflect the damage from the great Hanshin quake on Jan. 17, with the survey on the first quarter being made before the disaster.

The official said, however, that he does not expect too negative an impact. "After a temporary minus effect, there should be growing demand for reconstruction, such as the rebuilding of factories," he said.

North Korea**Proposal for Celebration Said Favored in ROK***SK1402110695 Pyongyang KCNA in English
1018 GMT 14 Feb 95*

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA)—South Korean people of various social strata are fully supporting the proposal put forward by the North of the country to grandly celebrate the 50th anniversary of the country's liberation on August 15 with the participation of compatriots in the North, South and overseas, hold a great national conference and discuss and confirm the way of national reunification common to the nation, said Seoul-based radio Voice of National Salvation.

A dissident surnamed Yun said the proposal of the North is a patriotic one aimed at making a breakthrough for national reunification and achieving the reunification of the country in the '90s at any cost by bringing a turning point in achieving national reconciliation and unity.

Saying the South Korean authorities must stop such treacherous acts as rejecting any proposals of the North without consideration, he said that if they were members of the nation, they must accept the latest proposal of the North carrying the desire of the fellow countrymen and make efforts to put it into effect.

An official of the Preparatory Committee of the General Federation of Democratic Trade Unions said the North always makes a proposal for achieving reunification by the efforts of the nation. "We workers absolutely [words indistinct] of the North and will make strenuous efforts to carry it into practice," he noted.

He demanded that the authorities abolish "the National Security Law" which is standing in the way of national concord, unity and reunification [words indistinct] contacts and visits between compatriots in the North, the South and overseas.

A clergyman said the grand reunification festival and the great national conference proposed by the North will be gatherings for the concord of the fellow countrymen. "Believers, too, will participate in the festival and conference and pool efforts with other fellow countrymen," he declared.

Book on Greatness of Chuche Discovered in ROK

*SK1102101095 Pyongyang KCNA in English
0957 GMT 11 Feb 95*

[FBIS Transcribed Text] Pyongyang, February 11 (KCNA)—180 copies of a 320-page book "With The Century" on the greatness of the chuche idea were found in Taejon-tong, Kangnung city, South Korean Kangwon Province, on Feb. 7, a radio report from Seoul said.

Pomminnyon Views Proposal for National Conference

*SK1102102895 Pyongyang KCNA in English
1008 GMT 11 Feb 95*

[“Appeal of Joint Meeting of Political Parties and Organisations of DPRK Supported”—KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 11 (KCNA)—“If compatriots in the North, the South and overseas jointly celebrate the 50th anniversary of national liberation and discuss and confirm a common way of national reunification at a grand national conference, an epochal phase will be opened in achieving the great unity of the whole nation and accomplishing the cause of national reunification,” said the headquarters of Koreans in Japan of the National Alliance for the Country’s Reunification (Pomminnyon) in a statement on February 9 supporting the appeal of a joint meeting of the political parties and organisations of the Democratic People’s Republic of Korea.

The statement declared that the headquarters will make active efforts to achieve a joint action in close unity with the Pomminnyon organisations in the North, the South and overseas so that broad pro-reunification forces and compatriots at home and abroad can turn out nationwide in the August 15 grand festival and a grand national conference.

It stressed that the headquarters will continue to wage a vigorous struggle to check and frustrate the anti-reunification confrontation moves of the South Korean ruling quarters and have all the institutional and legal devices including the “National Security Law” obstructing contact, dialogue and reunification between the North and the South scrapped in South Korea.

SKNDF's Japan Mission Supports Joint Meeting

*SK1102053495 Pyongyang KCNA in English
0459 GMT 11 Feb 95*

[“Japan Mission of Hanminjon Supports Appeal of Joint Meeting of Political Parties and Organisations of DPRK”—KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 11 (KCNA)—The Japan Mission of the South Korean National Democratic Front [SKNDF] (Hanminjon) in a statement on February 9 welcomed and supported the appeal of a joint meeting of the political parties and organisations of the Democratic People’s Republic of Korea, regarding it as an important step to make this year a year of dramatic turn in achieving the reunification in the 90s.

The statement said we have the publicly recognized three principles of national reunification and the proposal for founding a reunified state through confederacy to which they are applied and the 10-point programme of the great unity of the whole nation which can rally all the fellow countrymen who want reunification into one.

With the Kim Yong-sam fascist regime which is disparaging the appeal of the North and obstructing its realisation left alone, national reconciliation and unity and reunification cannot be achieved, the statement noted.

Stating that in order to achieve the reunification of the country, the “National Security Law” must be repealed, it said the political parties, groupings and people of all social strata in South Korea should actively support the proposal of the joint meeting of the political parties and organisations of the North to confirm the way of reunification common to the nation and join in the struggle to realize it, transcending differences in ideology and idea, and ism.

Federation of Korean Traders in Japan Meet

*SK1102105495 Pyongyang KCNA in English
1015 GMT 11 Feb 95*

[FBIS Transcribed Text] Tokyo, February 9 [date as received] (KNS-KCNA)—The fifth enlarged meeting of the 24th Board of Directors of the Federation of Korean Traders and Industrialists in Japan was held in Tokyo on February 8.

The meeting discussed measures to implement the decision of the fourth enlarged meeting of the 16th Central Committee of the General Association of Korean Residents in Japan (Chongnyon) on launching a massive patriotic innovation movement to greet the 40th anniversary of the formation of Chongnyon (May 25, 1955) with a high degree of patriotic enthusiasm and achievements in work.

The participants observed a moment’s silence in memory of the great leader Generalissimo Kim Il-song.

The meeting elected Vice-chairman Choe Kyong-sik chairman of the Federation of Korean Traders and Industrialists in Japan.

A letter to the great leader marshal Kim Chong-il was adopted at the meeting.

Japanese Group Signs Pyongyang Festival Accord

*SK1302153795 Pyongyang KCNA in English
1532 GMT 13 Feb 95*

[FBIS Transcribed Text] Pyongyang, February 13 (KCNA)—An agreement between the Korean Asia-Pacific Peace Committee and the New Japan Professional Wrestling Co., Ltd. on the Pyongyang International Sports and Cultural Festival for Peace was signed here today.

It was signed by Kim Yong-sun, chairman of the Korean Asia-Pacific Peace Committee, and Kanji Inoki, president of the New Japan Professional Wrestling Co., Ltd.

The agreement reads:

Expressing their will to deepen understanding and strengthen solidarity among peoples in accordance with the idea of independence, peace and friendship and contribute to the peace of Asia and the world by expanding and developing sports and cultural exchange, the Korean Asia-Pacific Peace Committee and the New Japan Professional Wrestling Co., Ltd. have reached an agreement on the following points concerning the cosponsorship of the International Sports and Cultural Festival for Peace in Pyongyang, the capital of the Democratic People's Republic of Korea, in late April 1995:

1. The Pyongyang International Sports and Cultural Festival for Peace will be held at May Day Stadium and other sports and cultural facilities in Pyongyang from April 28 to 30, 1995.

2. A grand opening ceremony of the festival will be held at May Day Stadium on the afternoon of April 28, which will be followed by professional wrestling games. On April 29, professional wrestling games and a closing ceremony will take place. April 30 will be "Day of Korea" when folk games of Korea, a grand mass gymnastic display and an evening of Pyongyang youths and students celebrating the festival will be held.

3. During the festival, colorful performances will be given by artistes of Korea, Japan and other countries.

4. An active cooperation will be rendered for live and taped transmission of the festival functions worldwide by televisions of Korea, Japan and other countries.

5. The Korean side will provide all conveniences to the guests and tourists to the festival in their travel to famous cultural and historical monuments in Mt. Paektu, Pyongyang, Kaesong, Mt. Myohyang and Mt. Kumgang around the festival, if they hope.

6. The sides endorse the agreement signed by their delegations in Pyongyang on December 2, 1994, and the points supplemented and agreed upon on January 5 1995, when delegations of the Korean Asia-Pacific Peace Committee was visiting Japan, as regards the preparation of the festival.

Overseas Parties Support Koreans' 'Struggle'

*SK1302151095 Pyongyang KCNA in English
1503 GMT 13 Feb 95*

[Spelling of all names received]

[FBIS Transcribed Text] Pyongyang, February 13 (KCNA)—Foreign party leaders expressed solidarity with the Korean people in their struggle for the reunification of the country when they recently met the Korean ambassadors to their countries.

Huudu Yahaya, general secretary of the National Democratic Congress of Ghana, said that the position of the congress and government of Ghana is unshakable in supporting the just struggle of the Democratic People's Republic of Korea to defend its sovereignty against the arbitrariness and unreasonable pressure of great powers.

He hoped that the DPRK-U.S. agreed framework which was gained in the struggle for justice and dignity would be sincerely implemented and the nuclear problem on the Korean peninsula be completely resolved and the peaceful reunification of Korea be promoted.

Indrajit Gupta, general secretary of the National Council of the Communist Party of India, said that his party would intensify international solidarity with the Workers' Party of Korea in accomplishing the cause of socialism and world peace and always express active support and encouragement to the just cause of the Workers' Party of Korea.

Klaus Riis, chairman of the Communist Party of Denmark (Marxist-Leninist), expressed full support to the Workers' Party and the people of Korea in their struggle for socialist construction and national reunification.

He said that his party would hold fast to the principle of socialism in the future, too.

Ali Hassan, general secretary of the Supreme Council of the Nationalist Socialist Party of Syria in Lebanon, said that Comrade Kim Chong-il is highly respected and praised not only by the Korean people but by the world people for his rare leadership ability and immortal exploits.

Chinese Sports, Culture Delegation Arrives

*SK1102213895 Pyongyang KCNA in English
1506 GMT 11 Feb 95*

[FBIS Transcribed Text] Pyongyang, February 11 (KCNA)—A delegation of the Physical Culture and Sports Commission of China led by Minister Wu Shaozu arrived here today.

Arriving by air were also Chong Il-sim and her family, who are Koreans residing in Russia.

Meets Vice Premier Chang Chol

*SK1202110195 Pyongyang KCNA in English
0911 GMT 12 Feb 95*

[FBIS Transcribed Text] Pyongyang, February 12 (KCNA)—Vice-premier and Minister of Culture and Art Chang Chol today met and had a friendly talk with the visiting delegation of the Physical Culture and Sports Commission of China led by Minister Wu Shaozu at the Mansudae Assembly Hall.

Present on the occasion was Chairman of the State Commission of Physical Culture and Sports Pak Myong-chol.

Wu Shaozu expressed the belief that although President Kim Il-song, the great leader of the Korean people and a close friend of the Chinese people passed away, the Korean people would creditably carry forward his cause under the leadership of Comrade Kim Chong-il.

The revolutionary cause of Korea will certainly be accomplished under the wise guidance of the great leader Comrade Kim Chong-il, Wu said.

He also expressed the belief that the sports exchange would further develop amid the interest of the parties and governments of the two countries.

Social Democratic Party Delegates Visit Thailand

*SK1302004395 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 8 Feb 95*

[FBIS Translated Text] A delegation of the Korean Social Democratic Party [KSDP] led by Kim Pyong-sik, chairman of the KSDP Central Committee, visited Thailand from (?31) January to 5 February.

On 1 February, the delegation met with (Bhunpan Kewatana), first vice president of the Thai Social Action Party [TSAP]. In the meeting, the first vice president expressed his deep condolences over the death of the great leader Comrade Kim Il-song. He pointed out the fact that the dear leader Comrade Kim Chong-il had led the DPRK-U.S. talks to victory with his outstanding resourcefulness, adding that the Korean people had achieved great success in the DPRK-U.S. talks. He said he would more closely develop friendship, cooperation, and exchange between the TSAP and the KSDP in the future.

During its stay, the delegation toured various places, including a natural zoological garden, a crocodile farm, and a botanical garden.

On 5 February, the delegation left Bangkok after winding up its visit to Thailand. The delegation was seen off at the airport by the first vice president and relevant functionaries of the TSAP, and our country's ambassador.

Received by Thai Prime Minister

*SK1302005295 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 10 Feb 95*

[FBIS Translated Text] On 8 February, Thai Prime Minister Chuan Likphai received a government economic delegation from our country led by Yi Song-tae, chairman of the External Economy Commission.

In the meeting, the delegation head conveyed greetings to Prime Minister Chuan Likphai from the great leader [yongdoja] Comrade Kim Chong-il.

The prime minister extended his deep gratitude for this, and asked the delegation head to convey his wholehearted greetings to the great leader [yongdoja] Comrade Kim Chong-il.

The prime minister said that the great leader His Excellency President Kim Il-song made great contributions to the development of the friendly relationship between Thailand and the DPRK, adding that he will never forget this.

He stressed he sincerely wished the great leader [yongdoja] His Excellency Kim Chong-il brilliantly inherit and consummate his excellency president's lifetime wishes.

Noting that under the wise leadership of the great His Excellency Kim Chong-il, the DPRK is successfully solving all questions arising at home and abroad, the prime minister said that the Thai people rejoice over all successes achieved by the Korean people.

Jordanian UPJ Delegation Arrives in Pyongyang

*SK1302124095 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 12 Feb 95*

[FBIS Translated Text] A delegation of the Popular Unity Party of Jordan [UPJ]-the Unionists led by Talal al-Ramahi, general secretary of the UPJ-the Unionists, arrived in Pyongyang by train on 12 February. (Choe Chong-su), deputy director of a department of the Workers' Party of Korea, greeted the delegation at Pyongyang Railway Station.

Visits Kim Il-song's Statue

*SK1302064295 Pyongyang KCNA in English
0526 GMT 13 Feb 95*

[FBIS Transcribed Text] Pyongyang, February 13 (KCNA)—A delegation of the People's Unity Party (unionist) of Jordan led by General Secretary Talal Hafun Ala Mai [as received] visited the statue of the great leader President Kim Il-song on Mansu Hill here and paid homage to him.

They laid bouquets before the statue and made a bow with deep respect to President Kim Il-song.

The delegation arrived here on Sunday.

Further on International Seminar on Chuche Idea*SK1302152495 Pyongyang KCNA in English
1518 GMT 13 Feb 95*

[Spelling of all names as received]

[FBIS Transcribed Text] Pyongyang, February 13 (KCNA)—Figures from different countries took the floor at the International Seminar on the Chuche Idea for Global Independence in Copenhagen.

Nina Andreyeva, general secretary of the Central Committee of the All-Union Communist Party of Bolsheviks, in her speech on the subject "President Kim Il-song's Feats in Human Cause of Independence Are Immortal" said that President Kim Il-song was the most outstanding thinker and theoretician and elder of international politics in the present era. His was the life of a veteran commander who effected the greatest changes in human history, she said, and continued:

What holds the most brilliant place in the feats of President Kim Il-song is that he founded the chuche idea and thoroughly applied it to the Korean revolution to win great victories. Especially, he won a historic victory in the struggle against dogmatism and revisionism.

Keith Bennett, political editor of the British paper *ASIAN TIMES*, said in his speech he was convinced that the immortal exploits performed by President Kim Il-song for the Korean revolution and the world revolution will always be alive in the hearts of the world people and will serve as a great inspiring banner leading the struggle for global independence to victory.

Govind Narain Srivastava, director of the Board of the International Institute of the Chuche Idea and secretary general of the Asian Regional Institute of the Chuche Idea, in his speech on the subject "His Excellency Kim Chong-il Is the Great Leader of the Human Cause of Independence" said:

The leader Kim Chong-il has developed and enriched the chuche idea as a universal guiding idea of humankind to light the path of the present times, and is guiding the cause of independence to victory with his tested leadership.

Humankind will build an independent, prosperous new world under his guidance and make the Kim Chong-il era shine forever.

M.V. Konkin, chief of the Centre for the Study of Kimchongilism in Russia, in his speech on the subject "The Dear Leader Comrade Kim Chong-il Is a Great Thinker and Theoretician Who Has Made Great Contributions to the Development of Human Thought" said that Comrade Kim Chong-il expounded the essence of socialism and the law of its development with man in the centre on the basis of the chuche idea to be the first in history to complete the doctrine of socialism suited to the nature of man.

Tony Wiener, professor at the People's University of Denmark, in his speech on the subject "Social Development, Its Cause and Motive Force" said the chuche idea propounded that the cause of social development and its motive force are man, by placing man, the most developed material being, in the centre.

Luis Manuel de Araujo, director of the Board of the IJJI [expansion not given] and chairman of the Portuguese Central Committee for the Study of Kimilsongism, in his speech on the subject "To Show the Path of Shaping Man's Destiny Is the Basic Mission of World Outlook" said:

The chuche idea established a new philosophical outlook on the world which is completely integrated with the view of destiny by finding the basic mission of philosophical outlook on the world in the issue of shaping man's destiny and giving the most correct answer to it on the basis of world outlook.

Eric Trevett, general secretary of the Central Committee of the New Communist Party of Great Britain, in his speech on the subject "Theory and Method of Building a Mass Party" said:

The chuche idea gives profound scientific answers to questions of principle arising in building a true party of popular masses demanded by the present times.

All people should make efforts to build a new man-centred society by deeply studying and grasping the chuche-based theory and method of party building created by the leader Kim Chong-il and applying it to actual conditions and fulfilling the cause of party building demanded by the present times.

Jorgen Petersen, international secretary of the Communist Party of Denmark (Marxism-Leninism), Prof. Vitaliy Patenko at Moscow University, Russia, R. Nansal, director of the Private Institute of History of Oriental Philosophy of Mongolia, and many other figures spoke about the originality and truth of the chuche idea.

Workers' Party Delegation Returns From Denmark*SK1102213595 Pyongyang KCNA in English
1504 GMT 11 Feb 95*

[FBIS Transcribed Text] Pyongyang, February 11 (KCNA)—The delegation of the Workers' Party of Korea [WPK] led by Hwang Chang-yop, secretary of the WPK Central Committee, flew back home from Denmark on February 11.

It was met at the airport by Hyon Chun-kuk, director of a department of the WPK Central Committee.

Brazilian Party Delegation Arrives in Pyongyang*SK1102213695 Pyongyang KCNA in English
1505 GMT 11 Feb 95*

[FBIS Transcribed Text] Pyongyang, February 11 (KCNA)—A delegation of the October 8 Revolutionary

Movement of Brazil led by Claudio Campos, secretary general of the Central Committee of the movement, arrived here today.

It was met at the airport by Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea.

Visits Kim Il-song's Statue

SK1202101695 Pyongyang KCNA in English
0852 GMT 12 Feb 95

[FBIS Transcribed Text] Pyongyang, February 12 (KCNA)—A delegation of the October 8 Revolutionary Movement of Brazil led by Claudio Campos, secretary general of the Central Committee of the Movement, a delegation of the Physical Culture and Sports Commission of China led by Minister Wu Shaoyu and foreign teams to participate in the fourth "Paektusan prize" international figure skating tournament called at the statue of the great leader President Kim Il-song on Mansu hill on February 11, laid floral baskets and bouquets before it and bowed.

Attends Reception Held by WPK

SK1202095495 Pyongyang KCNA in English
0850 GMT 12 Feb 95

[FBIS Transcribed Text] Pyongyang, February 12 (KCNA)—The Central Committee of the Workers' Party of Korea gave a reception on Saturday evening for the visiting delegation of the October 8 Revolutionary Movement of Brazil.

Invited there were the delegation led by Claudio Campos, secretary general of the Central Committee of the Movement.

Present there were Hwang Chang-yop, secretary of the WPK Central Committee, and officials concerned.

Toasts were exchanged at the reception.

Holds Talks With WPK Delegates

SK1202102195 Pyongyang KCNA in English
0902 GMT 12 Feb 95

[FBIS Transcribed Text] Pyongyang, February 12 (KCNA)—Talks were held here today between the delegations of the Workers' Party of Korea [WPK] and the October 8 Revolutionary Movement of Brazil.

Present at the talks on the Korean side were Secretary Hwang Chang-yop and Vice Department Director Pak Kyong-son of the WPK Central Committee and officials concerned and on the opposite side was the delegation of the October 8 Revolutionary Movement of Brazil led by Secretary General of its Central Committee Claudio Campos.

At the talks, the two sides informed each other of their parties' activities and discussed on developing friendly relations between the two parties.

The talks proceeded in a friendly and comradely atmosphere.

Kang Song-san Greet Iranian Vice President

SK1102051595 Pyongyang KCNA in English
0449 GMT 11 Feb 95

[FBIS Transcribed Text] Pyongyang, February 11 (KCNA)—Premier Kang Song-san sent a message of greetings to Hasan Habibi, first vice-president of Iran, on the occasion of the 16th anniversary of the victory of the Islamic revolution in Iran.

Believing that the friendly relations between the two countries would grow in strength and develop in the interests of the two peoples, the message wished the first vice-president success in his work.

Meanwhile, Foreign Minister Kim Yong-nam sent a message of greetings to Iranian Foreign Minister 'Ali Akbar Velayati.

Iranian Ambassador Hosts Anniversary Reception

SK1102045495 Pyongyang KCNA in English
0419 GMT 11 Feb 95

[FBIS Transcribed Text] Pyongyang, February 11 (KCNA)—Iranian Ambassador to Korea Seyyed Morteza Mirheydari gave a reception at the Ognyu Restaurant Friday evening to mark the 16th anniversary of the victory of the Islamic Revolution in Iran.

Invited to the reception were chairman of the Supreme People's Assembly Yang Hyong-sop, vice marshal of the Korean People's Army Kim Kwang-chin, chairman of the DPRK TV and Radio Broadcasting Committee Chong Ha-chol who is also chairman of the Korea-Iran Friendship Association, vice-minister of Foreign Affairs Choe U-chin and other officials concerned.

Diplomatic envoys of different countries accredited to Korea and chief of the Pyongyang mission of the South Korean National Democratic Front Yi Chong-sang were also present on invitation.

Speeches were made at the reception.

Anniversary of Iranian Islamic Revolution Marked

SK1102110795 Pyongyang KCNA in English
1028 GMT 11 Feb 95

[FBIS Transcribed Text] Pyongyang, February 11 (KCNA)—Papers here today dedicate articles to the 16th anniversary of the victory of the Islamic Revolution in Iran.

NODONG SINMUN in a signed article says that the overthrow of the despotic system and the victory of the revolution in Iran, fruition of the struggle of the Iranian

people, were an epochal event which opened the road of building a new life for them.

After the victory of the revolution the Iranian people have firmly defended the gains of the revolution, smashing every attempt of the imperialists and counter-revolutionaries to stamp it out and advanced along the road chosen by themselves, the article says, and goes on:

The Islamic Republic of Iran is actively striving to defend peace and security in Persian Gulf and develop friendship and cooperation with different countries of the world.

The Korean people are rejoiced as over their own over the achievements of the Iranian people in building a new life and extend full support and solidarity to their just struggle.

Korea and Iran, both Asian countries and member nations of the Non-Aligned Movement, have waged the struggle to build a new society together under the banner of independence against imperialism. Korea-Iran friendship is favourably developing in all political, economic, cultural and other fields. The Korean people will further strengthen and develop the friendly and cooperative relations with the Iranian people in the future.

MINJU CHOSON in a signed article says that the Korean people wish the Iranian people greater success in their efforts for the prosperity of the country.

Envoy to Lebanon Meets With Syrian NSP Leader

*SK1302020595 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 9 Feb 95*

[FBIS Translated Text] On 4 February, ('Ali Hassan), general secretary of the Supreme Council of the Syrian Nationalist Socialist Party [NSP] in Lebanon, received Yi Yong-sop, DPRK ambassador to Lebanon.

During the meeting, the general secretary emphasized as follows: The dear Comrade Kim Chong-il is a great leader [suryong] who changed the entire society into a harmonious large family single-heartedly united through politics of love and faith. Through his outstanding leadership and immortal achievements, he is receiving high respect and loyalty not only from the Korean people but from the people of the world as well. We truly wish a long life to Comrade Kim Chong-il for the victory of the world's independent cause.

KSDP Delegates, Kim Pyong-sik Visit Sri Lanka

*SK1302011495 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 8 Feb 95*

[FBIS Translated Text] On 5 February, a delegation of the Korean Social Democratic Party [KSDP] led by Kim Pyong-sik, chairman of the KSDP Central Committee, arrived in Colombo, the capital city of Sri Lanka.

The delegation was met at the airport by D.P. Wickremasinghe, vice chairman of the Sri Lanka Freedom Party [SLFP] and acting foreign minister; the vice minister of information, tourism, and aviation, who is vice chairman of the SLFP; the chairman of the Sri Lankan-DPRK People's Friendship Society, who is vice minister of transport, environment, and women affairs; and relevant functionaries.

Zairian Workers Party Head Meets North Envoy

*SK1202023395 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 7 Feb 95*

[FBIS Translated Text] On 1 February, (Jemil Kibaradaun Sien), chairman of the National Committee of the Zairian Workers Party, paid a courtesy call on our country's embassy in this country.

In the meeting, the chairman of the National Committee asked our country's ambassador to convey his heartfelt greetings to the great leader [yongdoja] Comrade Kim Chong-il.

The chairman said the Zairian Workers Party will do its best to improve the friendly relations between the two countries and two peoples of Zaire and Korea, and for the development of the world's socialist movement.

He said the great leader [yongdoja] Comrade Kim Chong-il's immortal classic work, "Socialism Is a Science," has expounded the scientific nature and truth of the chuche socialist idea and shattered the sophism of imperialists and opportunists.

He said the Zairian Workers Party and the progressive forces in Zaire will ardently support the Korean people's socialist cause and their independent cause for reunification in the future.

Peruvian City Gives Medal to Kim Chong-il

*SK1202094695 Pyongyang KCNA in English
0825 GMT 12 Feb 95*

[FBIS Transcribed Text] Pyongyang, February 12 (KCNA)—The medal of Chiclayo city of Peru was awarded to the great leader Comrade Kim Chong-il on his birthday.

A meeting for awarding the medal was held at the conference room of the Chiclayo city hall on February 7.

Mayor Arturo Castillo Chirinos in his speech said that it was a great pride and honor of the city to award its medal to his excellency dear Kim Chong-il on his 53rd birthday.

"He has performed great feats in building Korean-style socialism, true to the ideas and line put forward by President Kim Il-song and made a distinguished contribution to strengthening friendship and solidarity with the world people," the mayor noted.

The decision on awarding the city medal to Comrade Kim Chong-il was read and then the mayor handed the medal to the Korean ambassador.

Peruvian University Gives Degree to Kim Chong-il
SK1202094595 Pyongyang KCNA in English
0823 GMT 12 Feb 95

[FBIS Transcribed Text] Pyongyang, February 12 (KCNA)—The honorary doctorate in pedagogy of Chiclayo University of Peru was awarded to the great leader Comrade Kim Chong-il on his birthday.

A function for awarding the doctorate was held at Chiclayo University on February 6.

The president of the university in his speech said that the university decided to award the honorary doctorate in pedagogy of the university to His Excellency Kim Chong-il, the great leader of the Korean people, on his 53rd birthday, highly estimating the distinguished contributions he has made to the educational work.

He noted that His Excellency Kim Chong-il put forward long ago a chuche-based theory of pedagogy conforming to the specific conditions of the Democratic People's Republic of Korea and has wisely guided the constant development of the content of university education, teaching method and study system in keeping with the requirement of the developing reality.

The decision of the university on awarding the honorary doctorate in pedagogy to Comrade Kim Chong-il was read and then the president of the university handed the diploma and medal to the Korean ambassador.

Kim Chong-il Receives Gift From Malagasy Party
SK1102050795 Pyongyang KCNA in English
0422 GMT 11 Feb 95

[FBIS Transcribed Text] Pyongyang, February 11 (KCNA)—Rakotomandimby Selestine, national chairman of the Socialist Progressive Party of Madagascar, presented a gift to the great leader Comrade Kim Chong-il on the occasion of his birthday.

The gift was handed to the Korean ambassador to his country on Feb. 6.

He told the ambassador:

"His Excellency Kim Chong-il is the leader of the Korean people and the revolutionary people of the world.

"He is energetically leading the building of socialism, overcoming grief, for the happiness of the Korean people, true to the behests of his excellency the great leader Kim Il-song. He brought the talks between the DPRK and the United States to a successful conclusion.

"We follow His Excellency Kim Chong-il as our teacher and wish him a long life in good health."

Czech-Korean Group Issues Kim Chong-il Bulletin
SK1102213295 Pyongyang KCNA in English
1500 GMT 11 Feb 95

["Comrade Kim Chong-il is the Supreme Leader of Korea"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 11 (KCNA)—The Mt. Paektu Czech-Korean Friendship Association published its bulletin "Mt. Paektu" No. 1 on February 2.

In an article titled "Comrade Kim Chong-il is the Supreme Leader of the Democratic People's Republic of Korea" the bulletin says that Comrade Kim Chong-il was acclaimed at the head of the party, the state and the Army long ago as the outstanding successor to the revolutionary cause of Comrade Kim Il-song.

Noting that Comrade Kim Chong-il is the supreme leader of the party and the state, it says that under his wise leadership the Workers' Party of Korea has become a powerful and militant party and the people's government a powerful instrument of socialist construction.

It continues:

What is of particular importance in the achievements made by Comrade Kim Chong-il is that he has turned the whole society into a society full of firm conviction, a large harmonious family in which the leader, the party and the masses form a harmonious whole.

Comrade Kim Chong-il is the supreme commander of the revolutionary Armed Forces who is possessed of extraordinary resources, matchless grit and outstanding commanding art.

Thanks to the energetic activities of Comrade Kim Chong-il, the chuche idea founded by Comrade Kim Il-song has been fully developed and enriched and a new leap was made in all fields of socialist construction, political, economic, cultural and military, in which the might of Korea has increased as never before.

The bulletin also carried articles including one titled "Thick Wall Cutting Across Korea at its Waist".

Kim Chong-il's Birthday Observances Continue

Central Symposium Held 13 Feb

SK1402043895 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 13 Feb 95

[FBIS Translated Text] A central symposium was held yesterday at the People's Palace of Culture to celebrate the birthday of the great leader [yongdoja] Comrade Kim Chong-il.

Present at the symposium were Comrade Pak Song-chol, member of the Workers' Party of Korea [WPK] Central Committee Political Bureau and vice president; Comrade Choe Tae-pok, candidate member of the WPK

Central Committee Political Bureau and secretary of the Party Central Committee; Comrade Yang Hyong-sop, candidate member of the WPK Central Committee Political Bureau and chairman of the Supreme People's Assembly; Comrade Kim Ki-nam, secretary of the WPK Central Committee; Vice Premier Comrade Chang Chol; pertinent officials; and officials of central government offices, party cadre training institutes, and scientific, educational, publication and press, and cultural and artistic sectors.

O Kil-pang, first vice president and professor of Kim Il-song University; (Kang Un-kil), director of an institute and associate professor of the Academy of Social Sciences; (Ko Song-paek), dean of a faculty and professor of Kim Il-song Higher Party School and associate doctor; (Yu Pyong-yol), chief of the Political Department of Kim Il-song Political University; Kim Son-hyong, vice director of WPK Publishing House; Kim Taek-hun, deputy editor-in-chief of NODONG SINMUN; (Pak Song-nok), chief of a faculty and associate professor of Political University under the Public Security Ministry and associate doctor delivered speeches on the subjects "The Great Leader [yongdoja] Comrade Kim Chong-il Is the Fatherly Leader [oboi suryongmin]," "The Great Leader [yongdoja] Comrade Kim Chong-il Is a Prominent Thinker and Theoretician Who Completed the Theory of Socialism and Communism on the Basis of the Chuche Idea," "Great Comrade Kim Chong-il Is an Outstanding Leader [yongdoja] Who Is Strengthening Our Party Into the Eternal Glorious Party of Comrade Kim Il-song," "Comrade Kim Chong-il, the Respected and Beloved Supreme Commander, Is an Invincible General Who Firmly Defends Our People's Destiny," "The Great Leader [yongdoja] Comrade Kim Chong-il Is an Outstanding Politician Who Glorifies Popular Masses-Centered Socialism of Our Own Style," "The Great Leader [yongdoja] Comrade Kim Chong-il Is a Peerless Great Man Who Has Unfolded the Noble History of Communist Moral Obligation," and "Let Us Glorify the Dignity of the Korean Nation for Generations To Come Under the Leadership of Comrade Kim Chong-il, the Respected and Beloved Supreme Commander."

The speakers said that the great leader [yongdoja] Comrade Kim Chong-il, who has performed immortal exploits for the era and the revolution and the fatherland and the people, is an outstanding thinker and theoretician, a statesman, a military strategist, and the people's tender-hearted father [chaaeroun oboi] who has inherited all the traits of the fatherly leader [oboi suryongnim], a rare great man.

They also pointed out that dear Comrade Kim Chong-il formulated the great leader's revolutionary idea as an integral system of the chuche-oriented idea, theory, and method, built our party into the leader's [suryong] single-heartedly united party, and, thus, is leading the chuche revolutionary cause to a single road of victory.

They also said that because the great leader [yongdoja] Comrade Kim Chong-il stood on the vanguard of the revolution, our party could stand up without pessimism or hesitation despite the great sorrow of the loss of the fatherly leader [suryongnim], the greatest loss in the 5,000-year national history, adding that the entire party, all the people, and the entire Army, taking great national pride and revolutionary pride in being blessed with the leader [suryongbok] generation after generation, are believing and following dear Kim Chong-il [chinaehanun kui] and resolutely marching along the single revolutionary road.

The speakers also said that the great leader [yongdoja] Comrade Kim Chong-il, whom progressive mankind is boundlessly loyal to, reveres, and follows, is the fatherly leader [oboi suryongnim] who embodied the great leader's [suryongnim] outstanding idea, leadership, and noble virtue.

They also said: After inheriting the fatherly leader's [oboi suryongnim] ideological and theoretical insights, the great leader [yongdoja] Comrade Kim Chong-il has carried out extraordinary and energetic ideological and theoretical activities, completed the theory of socialism and communism, and, thus, brought about the most brilliant achievements in the entire history of mankind's ideological development.

After saying that dear Comrade Kim Chong-il is leading our people's revolutionary struggle to a sure victory with outstanding leadership, they stressed: The respected and beloved comrade supreme commander is the greatest, matchless general in the world who, possessed of the traits of a brilliant general on the highest level, smashes the challenge and war maneuvers of the enemy and firmly defends the destiny of the people.

They went on to say that his traits of a brilliant general were formed when he was being raised in Mt. Paektu after he was born there, adding that great Comrade Kim Chong-il is the defender of our people's destinies and the symbol of their invincibility.

They also said: The dear comrade leader, who embodied the fatherly leader's [suryongnim] idea of believing in the people as in heaven and who has a noble leadership trait, formulated a theory on the politics of love and trust and benevolent politics and made an immortal contribution to developing the socialist political theory.

The speakers referred to the fact that the great leader [yongdoja] Comrade Kim Chong-il is leading the chuche revolutionary cause with boundless loyalty toward the great leader. They stressed that the dignified name and achievements of the great leader [yongdoja] Comrade Kim Chong-il, a rare great man who has unfolded the noble history of communist moral obligation, will shine forever in the history of mankind's ethics and morality and the history of the working class's revolutionary struggle.

They also said that our people's firm will is to eternally glorify the dignity of the Korean nation based on the loftiness of ideological and theoretical traits and the might of single-hearted unity and the dignity of the Kim Il-song nation, which upholds the great leader [yongdoja] Comrade Kim Chong-il.

They stressed that all the officials and working people must brilliantly complete the chuche revolutionary cause under the leadership of the great party with the great pride and honor of upholding, at the head of the party, the state, and the revolutionary Armed Forces, dear Comrade Kim Chong-il whom the progressive people of the world highly praise and follow as the great leader [yongdoja] who will lead the 21st century.

KCNA on National Symposium

SK1302154895 *Pyongyang KCNA in English*
1543 GMT 13 Feb 95

[FBIS Transcribed Text] Pyongyang, February 13 (KCNA)—A national symposium was held here today to celebrate the birthday of the great leader Comrade Kim Chong-il.

Present at the symposium were Pak Song-chol, Politburo member of the Central Committee of the Workers' Party of Korea and vice-president, and other senior party and state officials and officials concerned.

Speeches were made on the subjects "The Great Leader Comrade Kim Chong-il Is the Fatherly Leader," "The Great Leader Comrade Kim Chong-il Is Prominent Thinker and Theoretician Who Completed the Theory of Socialism and Communism on the Basis of the Chuche Idea," "The Great Comrade Kim Chong-il Is an Outstanding Leader Who Is Strengthening Our Party as the Eternal Glorious Party of Comrade Kim Il-song," etc.

The speakers said the great leader Comrade Kim Chong-il, who has performed immortal exploits for the time and the revolution, the country and the people, is outstanding thinker and theoretician, statesman and military strategist and the tender-hearted father of the people, who has inherited all the traits of the respected leader President Kim Il-song, a rare great man.

Comrade Kim Chong-il with his extraordinary and energetic ideological and theoretical activities formulated the revolutionary idea of President Kim Il-song as an integral system of the idea, theory and method of chuche and completed the whole man-centred theory of socialism and communism.

Comrade Kim Chong-il comprehensively systematized and completed the unique idea and theory on building the party as the leader's party and has strengthened our party into an invincible party of President Kim Il-song by applying the theory.

Comrade Kim Chong-il is victoriously guiding the revolutionary struggle of the Korean people with his rare leadership ability.

He is the greatest, matchless general in the world, who smashes the challenge and war manoeuvres of the enemy and firmly defends the destiny of the people, possessed of the traits of a brilliant general on the highest level.

Comrade Kim Chong-il, who has fully inherited President Kim Il-song's motto "The people are my god," is a tender-hearted father of the people, who shapes benevolent politics based on love and trust.

It was because Comrade Kim Chong-il stands in the van of the revolution that our people could rise up without pessimism and hesitation, overcoming the great sorrow after the death of President Kim Il-song, the biggest loss in their history of five thousand years, the speakers said.

All the officials and working people must creditably carry to accomplishment the revolutionary cause of chuche under the guidance of the great party with the great pride and honour of having at the head of the party, the state and the revolutionary armed fighters, dear Comrade Kim Chong-il whom the progressive people of the world highly praise and follow as the great leader who will lead the 21st century, the speakers emphasized.

Gifts at Friendship Exhibition

SK1402110095 *Pyongyang KCNA in English*
1028 GMT 14 Feb 95

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA)—The great leader Comrade Kim Chong-il has received gifts from foreign countries on the significant holiday of February.

A few days ago, he received gifts from Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba, president of the Council of State and president of the Council of Ministers of the Republic of Cuba; Youssef Amin Wali, general secretary of the Egyptian National Democratic Party; and Dumiso Dabengwa [spelling of names as received], Politburo member of the Central Committee of the Zimbabwe African National Union-Patriotic Front and minister of interior of Zimbabwe.

Last year, gifts came to him from party and state leaders and public figures of more than 100 countries, among them first secretary of the C.C. [Central Committee], the Communist Party of Cuba, president of the Council of State and president of the Council of Ministers of Cuba Fidel Castro Ruz, King of Cambodia Norodom Siha-nouk, Syrian President Hafiz al-Asad, Premier of the Government of Laos Khamtai Siphandon, and Ugandan President Yoweri Kaguta Museveni, over [words indistinct] gifts to Comrade Kim Chong-il from 149 countries are exhibited at the international friendship exhibition which is situated in a scenic ravine of Mt. Myohyang, a [words indistinct] of Korea.

[Words indistinct] gift on show is imbued with deep reverence and friendship of all peoples, which are incomparable with its value.

The portrait "Supreme Commander Comrade Kim Chong-il in His Marshal Uniform" vividly depicting the iron will and grit, indomitable faith and extraordinary wisdom, spirit of certain victory and dignity and majesty and disposition of a general, is a gift presented to Comrade Kim Chong-il by Malaysian and Singaporean military cadres with their deepest trust in and praise of him.

Watching the socialism of Korea being defended [words indistinct] international situation in recent years, they prepared this gift with reverence for the great brilliant commander who had performed brilliant feats in army building and defence of the motherland with a thorough military knowledge in his young years.

A saddle presented by the head of state of Libya, a spear presented by the former head of state of Rwanda, the [word indistinct] sculpture "five horses" presented by a high-ranking military cadre of China, and a large hanging scroll "The [words indistinct] are gifts praising the matchless grit and iron will and rare military wisdom of Comrade Kim Chong-il.

On display are a sword, a decorated knife, a flintlock pistol and other crafts and valuables carrying the earnest hope that Comrade Kim Chong-il will build an independent world freed from domination and subjugation.

The sandalwood elephant saddle, the gold dagger, rare pharmaceutical materials and hunting instruments represent wishes for his health and longevity.

The sandalwood elephant saddle, a woodsculpture presented by a high-level politician of India, carries the old legend of the country that on this saddle, one can look a thousand miles [words indistinct] not wounded in a battlefield, and can lead a battle to victory.

A high-level military cadre of Romania presented him with a gold dagger, saying that a soldier attending a rare brilliant commander must thoroughly defend and safeguard his personal safety.

KPA Performance Honors Birthday

*SK1302152995 Pyongyang KCNA in English
1525 GMT 13 Feb 95*

[FBIS Transcribed Text] Pyongyang, February 13 (KCNA)—"The Army and People Uphold the General in One Mind," a new dance suite created by the Song and Dance Ensemble of the Korean People's Army [KPA] is being performed before full houses in Pyongyang in celebration of the birthday of the great leader Comrade Kim Chong-il, the greatest national holiday.

It is a monumental work which vividly shows the validity and invincible vitality of the idea of Army-people unity of the Workers' Party of Korea, representing a grand epical canvas with noted dance pieces high in ideological content and artistic value and peculiar dance music, three-dimensional stage decor and lantern slide.

It covers a long historical period from the anti-Japanese revolutionary struggle to this date through the fatherland liberation war.

The mixed group dances "On the Way to the Headquarters" and "Among the People of Soksari," the women's group dance "A Letter From the Front," the men's group dance "We Are Defenders of the Motherland and Creators of Happiness" and all other works included in the dance suite are flawless in idea and art and they are run through with one idea to present a grand epical canvas.

The folk dance suite "Song of Seasons," a new dance style, was created in the early 90's in Korea according to the unique policy of literature and art of the Workers' Party of Korea.

The folk dance suite "Song of Seasons" created by the Pibada Opera Troupe represents in folk dances and national music the customs of four seasons, spring, summer, autumn and winter, which have been handed down among the Korean people from the old time.

The folk dance suite composed of graceful, vivacious and cheerful folk dances including "Hunting Dance" and "Peasant Dance" welded with traditional and peculiar national music show the creative labor and beautiful customs of the resourceful and industrious Korean people.

The popular monumental dance suites could be created under the care of Comrade Kim Chong-il.

He expounded the significance and role of dance art in properly inheriting and developing the precious legacies of national culture and creating socialist national culture and art and saw to it that naturalism and dogmatism were removed in dance creation and they were created originally in various styles.

The dance suites created under the care of Comrade Kim Chong-il are hailed by the people as a cultural treasure of the Korean nation.

Japanese Art Troupe Arrives

*SK1202094395 Pyongyang KCNA in English
0819 GMT 12 Feb 95*

[FBIS Transcribed Text] Pyongyang, February 12 (KCNA)—The Korean art troupe in Japan led by Pak Chong-sang, department director of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), arrived in Wonsan by the ship "Mangyongbong-92" on February 11 for a visit to the socialist homeland on the occasion of the birthday of the great leader Comrade Kim Chong-il.

More Celebrations Held Abroad

*SK1302055895 Pyongyang KCNA in English
0510 GMT 13 Feb 95*

[FBIS Transcribed Text] Pyongyang, February 13 (KCNA)—The birthday of the great leader Comrade Kim Chong-il is celebrated in different countries.

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Celebration meetings were held in Cuba, Moscow, Nepal, Mali, Mozambique, Zambia and Togo.

A lecture was given at the Agra University of India and a ceremony for the presentation of Korean books took place at the Assad National Library of Syria.

A DPRK book and photo exhibition was held by the Jordanian Committee for Solidarity With the Korean People.

On display were famous works of the great leader President Kim Il-song and the great leader Comrade Kim Chong-il and Korean books and pictures showing the achievements of the Korean people in the socialist construction.

A week of DPRK film show and photo exhibition, a ten-day Korean film show and a film show were held at the Dar-es-Salaam Teachers' College of Tanzania, in Uganda and Poland, at the Lebanese Group for the Study of the Idea and Theory of Comrade Kim Chong-il and the Zairean Society for the Study of Kim Chong-il's Works.

Kim Chong-il Sends Thanks to Medical Workers

*SK1102045695 Pyongyang KCNA in English
0428 GMT 11 Feb 95*

[FBIS Transcribed Text] Pyongyang, February 11 (KCNA)—The great leader Comrade Kim Chong-il sent thanks to the Pyongyang Friendship Hospital, president of the Korean Academy of Medical Science Yu Kyu-tong and medical workers of the Kim Man-yu Hospital.

Through a strained medical assistance to save an official of the Egyptian Embassy in Pyongyang who had been fatally injured in an accident, they recovered the consciousness of the patient in 35 days and completely restored his health in 55 days with a noble human love.

Paper on Loyalty to, 'Worship' of Kim Chong-il

*SK1402054595 Pyongyang NODONG SINMUN
in Korean 2 Jan 95 p 3*

[Article by Sung Chong-pyo: "Our People are a Faithful People With Absolute Worship of the Great Leader"]

[FBIS Translated Text] The greatness of a people lies in their ideological and mental ethos. Today our people have unanimously risen up in the new year's rewarding struggle to implement the fatherly leader's [suryong] lifetime teachings, cherishing in their hearts an absolute worship of the great leader [widaehan yongdoja] Comrade Kim Chong-il. Consummating the *chuche* revolutionary cause to the end generation after generation, while upholding the great leader Comrade Kim Chong-il as the sun of eternal life and as the protector of destiny, is precisely our people's firm, invariable faith and will. Herein lies the greatness of our people's ideological and mental ethos and the invincibility of the cause of socialism of our own style.

Our people are infinitely loyal to the great leader [widaehan yongdoja] with an absolute worship of him. This is precisely their noblest ideological and mental characteristic today.

The worship of one's leader is one's noble ideological feeling to infinitely respect and revere one's leader and to absolutely trust and follow him, upholding him as the sun of one's life. This is the noble ideological feeling that those people carrying out the revolution, upholding their leader, should possess.

For revolutionaries and people, their leader is the supreme head of their revolution. He is also their benevolent father and teacher who bestows upon revolutionaries and people and glorifies a valuable life. The road along which revolutionaries and people are to advance is elucidated by their leader, and the destiny of revolution, as well—that is, the destiny of people—is pioneered by their leader. Therefore, people eternally respect and uphold their leader, regarding him as their pillar of mind.

The absolute worship of a leader is the mighty mental strength that makes it possible for the leader and people to firmly unite and, thus, to achieve victory in the revolution. The revolutionary struggle to achieve the independence of the popular masses is arduous, and the secret of its victory lies in the achievement of firm unity between the leader and the people. The firm cohesion and unity between the leader and the people are the cohesion and unity based on the people's absolute worship of their leader. The worship of the leader makes it possible for the people to firmly unite around their leader because of the purity, solidness, and eternity of his ideology, will, and morality.

The strength of the single-hearted unity formed based on an absolute worship of one's leader is limitless, and this strength cannot be shaken by anything.

Although the cause of socialism of our own style has undergone the greatest loss today, it is still advancing victory after victory without the slightest degree of trepidation and slackness. This is because the great leader Comrade Kim Chong-il is with us and because there are our people who have absolute worship of the leader. Our people are the great people who have absolute worship of the great leader Comrade Kim Chong-il.

The great leader Comrade Kim Chong-il has indicated: "Our people's proud tradition is that they infinitely respect, revere, and uphold their leader [suryong], that is, their leader [chidoja]."

Today all of our people are upholding the great leader Comrade Kim Chong-il with burning loyalty and filial piety, cherishing the firm, invariable faith that he is the sun of our life and the savior of our destiny. Our people's worship of the great leader Comrade Kim Chong-il is their iron-like faith of firmly trusting and following only their leader even though this world may change and the

earth may be destroyed tens of hundreds of times. It is also their clean and pure minds of holding in high esteem the great leader [yongdoja] with loyalty and filial piety while totally entrusting their destiny to him. This, the lofty and absolute ideological feeling which a nation, a people should possess on the road of upholding their leader.

Our people's worship of the great leader [yongdoja] today has become the loftiest ideological feeling that cannot be found in this world in terms of its purity, solidness, and eternity.

Our people's worship of the great leader Comrade Kim Chong-il is indeed pure and clean. Their worship of the leader is based, first, on the high degree of their awareness and consciousness. Its foundation is purity. The worship of the leader of upholding him with a pure and clean mind becomes an absolute and unconditional worship.

Our people's worship of the great leader Comrade Kim Chong-il is pure, clean, and incomparable.

Today, our people are sincerely upholding the great leader [yongdoja], cherishing deep in their hearts his revered name and image. Our people's thorough attitude and position are that they link all the most sacred and valuable things in the world with their leader and that they do know anything else except their leader.

There is not the slightest degree of selfishness or hypocrisy in the minds of our people who are upholding the great leader [yongdoja]. That our people now absolutely respect and revere the great leader is not simply out of their sense of obligation.

It is our people's will to try to struggle for the great leader, becoming shells at the sacrifice of their young lives. It is also our people's mind to try to infinitely revere and follow the great leader, even if they are close to him or far away from him, while regarding him as their pillar of mind. As our people cherish such an ardent and sincere mind, the laudable custom of jumping into even flames of fire without hesitation in order to protect a portrait of the great leader [yongdoja] and of dashing to difficult and arduous work sites before others in order to realize the leader's plan and intent and devoting their whole life there with loyalty is being constantly displayed among our people today. Even though there may a flaw in a precious stone, there can never exist even the smallest scratch in the mind of our people who are upholding and following the great leader Comrade Kim Chong-il.

That our people respect and revere the great leader today with a clean and pure mind is because they are firmly united with the great leader as an joint body sharing the same destiny.

For our people, the great leader Comrade Kim Chong-il is the sun of the life bestowing the most valuable life and adding luster to it. The great leader is bestowing the most

valuable social and political life upon our people and adding luster to the valuable life for our people with great love and trust.

The great leader Comrade Kim Chong-il's politics are literally the politics of love and trust, that is to say, the politics of benevolence. Our people are upholding and following the great leader with their pure and clean mind while entrusting their destiny to him. The relationship of warm love and trust prevails between the great leader Comrade Kim Chong-il and our people today.

Our people's worship of the great leader Comrade Kim Chong-il is based on their absolute trust in the leader.

The characteristics of our people's worship of the great leader Comrade Kim Chong-il lie precisely in their solidness. Only such worship, which is invariable and firmer even under any difficult circumstance, has become our people's inherent ideological feeling. Firmly trusting in and following only the great leader [yongdoja] as the symbol of all glories, happiness, and victories at the time of joy or sorrow is our people's noble ideological and mental ethos.

Our people's worship of trusting and following only the great leader is being displayed wherever and whenever; in any arduous period, or in normal days; and in their work sites, in their homes, and in their routine business and life.

That soldiers of the Korean People's Security Forces won in the fight against the enemy in its rear area and returned to the bosom of the fatherland again by keeping their integrity and principle as revolutionaries and that our people are struggling with great faith and full of optimism even amid their greatest sorrow of losing their fatherly leader [suryong] are all because they absolutely trust their great leader [yongdoja].

Today, our people are loudly shouting that they will firmly trust and follow only the great leader Comrade Kim Chong-il even though the world changes 100 times while firmly rallying around him. This vividly shows the strength of our people's worship of the great leader Comrade Kim Chong-il.

There may be a power in the world that can destroy the earth. However, the faith and will of our people who trust and follow only their leader cannot be shaken by anything. Our people's absolute trust in the great leader is the firm faith that has been firmly deepened on the road of the protracted and arduous struggle under the leader's [yongdoja] leadership.

On the road of their struggle under the great leader Comrade Kim Chong-il's leadership, our people have come to cherish the absolute trust in the leader. Only when we uphold the great leader Comrade Kim Chong-il can our fatherland be prosperous eternally and the Korean revolution be ever-victorious without fail. This is the firm faith that our people have come to cherish in the course of their protracted struggle.

Because the leader [yongdoja], who is equipped with knowledge, military quality, loyalty, and filial piety and who is the most prominent leader of our times, is with us, our people's worship of the leader has become more solid.

Our people's worship of the great leader Comrade Kim Chong-il is also the noble ideological feeling that becomes stronger with each passing day. Our people's worship of the great leader did not emerge in one or two days. It has a deep historical origin.

Our people have highly praised the "Bright Star of Mt. Paektu"! Herein lies our people's ardent desire and expectation to live, upholding Comrade Kim Chong-il as the great successor to the chuche cause. The worship of our people who infinitely trust and uphold the great leader Comrade Kim Chong-il has been sublimated into a warmer and a more ardent one as our revolution advances victoriously.

In the course of their protracted and arduous struggle that has been fought with upholding the great leader at the head of the party and the revolution, our people have been completely captivated by his extraordinary disposition, quality, and greatness. This is why our people have more firmly cherished worship of the leader in their hearts as time passes.

Our people's worship of the great leader [yongdoja] is being displayed on the loftiest plane today when the struggle to inherit and consummate the chuche revolutionary cause generation after generation is being vigorously waged.

Our people's worship of the leader [yongdoja] extensively finds expression when a major event takes place.

When they were in the deep sorrow of suddenly losing the great leader [widaehan suryong] last year, our people keenly realized how fortunate it was to uphold the great leader [widaehan yongdoja] Comrade Kim Chong-il.

The great leader Comrade Kim Chong-il is the great leader [yongdoja] of our revolution who will brilliantly inherit and consummate the chuche cause pioneered by the great leader [widaehan suryong]. By upholding and following him, our fatherland can be prosperous and affluent and our people can be strong. This is precisely the firm faith that our people have cherished deeper in their hearts amid the deep sorrow of great loss.

Today our people ardently wish the great leader Comrade Kim Chong peace and good health, praising him as the eternal sun of our fatherland and nation. Thus, they are devoting all their loyalty and filial piety to him.

Our people's worship of the great leader is also all the people's ideological feeling that is being enhanced in the whole society. In our country today, all the people are infinitely respecting and following the great leader Comrade Kim Chong-il as the father of the great socialist family. There is only one faith, one will, and one

aspiration to firmly trust and follow only the great leader in the hearts of all people—children, elderly persons, the working class, farmers, and intellectuals.

The burning minds of our fallen anti-Japanese fighters who upheld the great leader Comrade Kim Chong-il as "the Bright Star of Mt. Paektu" are today beating in the hearts of our people, and the iron-willed faith and will of officers and men of the People's Army to become bullets and bombs for the great leader [yongdoja] have become the faith and will of all of our people. This clearly shows the strength of our people's worship of the great leader.

By nature, it is not effortless that all the people are captivated by a great man and regard him with deep respect. Being captivated by a great man cannot take place spontaneously. Therefore, the proud reality of our country in which all the people unanimously and absolutely revere and respect only their leader vividly shows that the firm unity between the leader and the people in our country has reached a lofty plane.

Indeed, our people's worship of the great leader Comrade Kim Chong-il is a pure mind to firmly trust in and to follow only the great leader under all circumstances. It is also the eternal ideological feeling of our people. Many stories about the revolutionaries and people who have faithfully upheld their leader are contained in the history of the working class' protracted revolutionary struggle. However, history has never witnessed such great people who, like our people, have faithfully upheld their leader with loyalty and filial piety, cherishing deep in their hearts worship of him.

Success or failure of the revolutionary movement, that is to say, the socialist cause, depends on the faith and will of our people who uphold the leader [yongdoja] and on their absolute worship of him. Because the great leader Comrade Kim Chong-il, who leads the party, the revolution, the fatherland, and the people to victory, is with us and because there are our people who possess absolute worship of the leader, the future of socialism of our own style is bright and promising.

As long as there are our people who possess an absolute worship of the great leader Comrade Kim Chong-il, the chuche revolutionary cause pioneered by the great leader [widaehan suryong] will be brilliantly consummated. This is precisely the iron-like faith and firm oath that our people—who are vigorously accelerating the new year's march, firmly united around the great leader [yongdoja]—have firmly cherished deep in their hearts.

Kim Chong-il Sends Birthday Table to Official

*SK1302062195 Pyongyang KCNA in English
0514 GMT 13 Feb 95*

[FBIS Transcribed Text] Pyongyang, February 13 (KCNA)—The great leader Comrade Kim Chong-il sent a seventieth birthday table to Pyo Mu-won, vice-chairman of the North Phyongan Provincial Administrative and Economic Committee.

Comrade Kim Chong-il sent the sixtieth birthday table to him 10 years ago, too.

Born into a poor family in Taegu city, South Korea, Pyo Mu-won was drafted to the puppet army in November, 1945 and came over to the northern half of Korea, leading a battalion in May, 1949.

The great leader President Kim Il-song met him on several occasions, highly appreciated his patriotic deed and showed him deep care.

Pyo joined the Korean People's Army and performed feats in the battles for liberating various areas of the southern half of Korea as a regiment commander during the fatherland liberation war. Later, he became a general and a competent military commanding officer.

After being discharged from military service he devoted all his wisdom and energies to implementing the party's line and policies, while working at the responsible positions of people's power body and administrative and economic organs.

Comrade Kim Chong-il had acquainted himself with his work and life on several occasions, highly estimated him and looked after the future of his children with fatherly love.

Overseas Koreans Visit Kim Il-song Statue

*SK1302063695 Pyongyang KCNA in English
0525 GMT 13 Feb 95*

[FBIS Transcribed Text] Pyongyang, February 13 (KCNA)—President of the International Taekwon-do Federation Choe Hong-hui, Chong Il-sim residing in Russia and her family and the Korean Art Troupe in Japan led by Pak Chong-sang, department director of the Central Standing Committee of the General Association of Korean Residents in Japan, visited the statue of the great leader President Kim Il-song on Mansu Hill in Pyongyang on Saturday.

They laid floral baskets and bouquets before the statue and made a bow with deep reverence for President Kim Il-song.

Choe Hong-hui said: "We don't think that the great fatherly leader has left us. He will always be with us."

"The overseas compatriots always feel reassured because they have General Kim Chong-il as the great leader of the nation," he stressed.

Chong Il-sim pledged to remain loyal to General Kim Chong-il, always holding him in high esteem, true to the behests of the fatherly leader.

Kim Il-song's Work on Party Spirit Praised

*SK1302141995 Pyongyang NODONG SINMUN
in Korean 3 Jan 95 p 2*

[Article by Kang Tok-yol: "A Programmatic Work Which Has Helped Effect a Turn in the Struggle To

Increase the Functionaries' Party Spirit, Class Character, and Serve-the-People Spirit"]

[FBIS Translated Text] It has been 30 years since the great leader Comrade Kim Il-song released his classic work "Let us do away with the bureaucratism of the state economic organizations and further increase the functionaries' party spirit, class character, and serve-the-people spirit."

On this anniversary, we are recollecting with warm hearts the immortal achievements made by the great leader who devoted his great energy and efforts to fostering all functionaries boundlessly loyal to the party, the working class, and the people, while putting forth, from an early day on, his original policy to revolutionize the cadres.

The great leader's work published 30 years ago is a programmatic work which helps the functionaries become firmly prepared as genuine guiding officials of the revolution and as the dutiful servants of the people by increasing their party spirit, class character, and serve-the-people spirit.

In his work, the great leader made a scientific analysis of the phenomenon, and of its cause, that at that time, the functionaries are lacking in the party spirit, class character, and serve-the-people spirit, and brilliantly elucidated the direction and methods to overcome this. What is elucidated in the work in a wholesale way are the questions to improve the functionaries' method and style of work and further increase their party spirit, class character, and serve-the-people spirit, including the questions to strengthen the party organs at the state economic organizations and intensify the party life of the functionaries; to have all functionaries carry out their work in conformity with the demands of the Taean work system and the Chongsan-ri method; and to elevate functionaries' political and practical qualifications.

Due to its justness and truthfulness, his work displayed, in the previous period, a great vitality in further revolutionizing the functionaries and adding spurs to the general socialist construction. In particular, his work has served as a programmatic guideline in improving the method and style of work of the functionaries at the state economic organizations and increasing their party spirit, class character, and serve-the-people spirit.

The great leader Comrade Kim Il-song taught:

"Our state is a state for the people and a state led by the working class. All state organizations should establish a revolutionary spirit; and the functionaries of all enterprises should carry out their work in a revolutionary way."

It is a very important question to endlessly improve the functionaries' method and style of work in conformity with the demands of the developing revolution and to further increase their party spirit, class character, and serve-the-people spirit.

All of our functionaries have grown up as respectable guiding officials of the revolution in the midst of the large trust of the party and the people. The functionaries' main duty and mission is to faithfully serve the party and the revolution, the fatherland and the people. The party spirit, working-class character, and serve-the-people spirit are noble qualities that the functionaries should possess; and without these they cannot become genuine guiding officials. If they are lacking in the party spirit, working-class character, and serve-the-people spirit, and if they possess an outmoded method of work, the functionaries cannot receive trust and love from the party and the masses, nor can they successfully fulfill the duties assigned to them.

Since an early day on, our party has made many efforts to carry out a work to accelerate the revolutionizing of the functionaries and highly display their party spirit, class character, and serve-the-people spirit, while deeply seeing through the status of functionaries and the importance of their duty in revolution and construction. In this, the great leader's work is of great significance.

Due to the publication of his work to further increase the functionaries' party spirit, class character, and serve-the-people spirit, a new turn has been effected in improving the functionaries' method and style of work in conformity with the demands of the developing reality and in accelerating their revolutionizing.

Above all, the great leader's work has helped build up the party organizations as vivacious and militant ones and further intensify the functionaries' party life, thereby helping increase the functionaries' party spirit and actively accelerate their revolutionizing.

Party organization life is a melting furnace to increase party spirit and a school for revolutionizing. The question of intensifying party life is of great significance in preparing functionaries as genuine revolutionaries loyal to the party and the revolution and to the working class and the people.

In his work, the great leader put forth the tasks to turn party organizations into militant ones and to intensify the functionaries' party organizational life. His work elucidated in a concrete manner the questions to build up party organizations as organizations equipped with a strong party spirit; to establish strict discipline in the functionaries' party organizational life; and to have functionaries actively participate in party and study meetings.

Since the tasks put forth by his work were shiningly accomplished in the previous period, great success was achieved in increasing our functionaries' party spirit and in accelerating their revolutionizing.

Since party organizations have been firmly built up as vivacious revolutionary organizations, and since a revolutionary mode of party life has been established, all functionaries have been able to devote all they have to

the struggle to accomplish the party's lines and policies with endless loyalty to the party. What is being highly displayed today among our functionaries is a revolutionary spirit with which they are exerting themselves to treat party organizations in a dignified manner at every place and at every time; to lead a life firmly relying on such organizations; and to thoroughly accomplish the party's decisions and directives while following the noble example of the great leader [suryongnim] and the great leader [yongdoja] Comrade Kim Chong-il in terms of their view of party organizations.

With their absolute sense of admiration [sungbae] for the great leader [yongdoja] Comrade Kim Chong-il, our functionaries are faithfully working to accomplish the party's cause while entirely entrusting their destiny to the party. This clearly corroborates how just is his work to intensify the functionaries' party life.

His work has also helped effect a new turn in the functionaries' method and style of work by having the functionaries carry out their work in conformity with the demands of the Taean work system and the Chongsan-ri method.

The Taean work system and the Chongsan-ri method are the most superior communist-style guidance management system and method which have embodied the great chuche idea and the revolutionary mass line.

His work has elucidated in a concrete manner the questions arising from embodying the Taean work system and the Chongsan-ri method, including questions to go down to the lower-echelons to grasp a specific situation, to map out correct plans, and to carry out guidance work in a substantive manner.

Due to the brilliant embodiment of the idea elucidated in his work to carry out the relevant work in conformity with the demands of the Taean work system and the Chongsan-ri method, a fundamental turn has been effected in our functionaries' method and style of work. Today, our functionaries highly display the spirit to solve all questions by deeply mingling with the masses, sharing joy and pain with them, and stirring up their creative strength. All economic management work, including the working out of relevant plans and the supply of materials, is being carried out in conformity with the demands of the Taean work system.

At present, an ever-growing number of functionaries are vigorously arousing the masses to the accomplishment of the party's policies by setting examples and showing by practice rather than by precept, and by displaying the revolutionary spirit of self-reliance and fortitude as do the functionaries of the Chonchon County Commercial Management Office and of Maengsan County. There are, everywhere, such functionaries as those who actively contribute to the accomplishment of the party's revolutionary economic strategy by carrying out economic management, as do the functionaries of the 10 May General Plant. This is a fruition of the wise leadership of

the party and the leader [suryong], which has led so that the Taean work system and the Chongsan-ri method can be actively embodied, always paying great attention to our functionaries' method and style of work.

In the process of embodying the idea elucidated in his work to have functionaries carry out their work with the spirit of serving the people in a self-sacrificing manner, functionaries have highly displayed the spirit to take good care of the people's livelihood with responsibility. Today in our country, all functionaries are finding their greatest dignity and pride in faithfully serving the people, upholding the party's slogan "Serve the people!"

In addition, his work has helped our functionaries endlessly elevate their political and practical qualifications, thereby helping them wonderfully fulfill their mission and duty as the guiding officials of the revolution.

To elevate functionaries' political and practical qualifications is of great significance in helping them improve their work method and faithfully serve the party, the revolution, and the working class and people. When functionaries are firmly prepared both politically and practically, they can skillfully accomplish any tasks assigned them and fulfill their mission and duty as functionaries.

What is put forth in his work in a concrete manner is the importance of elevating functionaries' political and practical qualifications; of having functionaries set examples in carrying out studies and of having relevant responsible functionaries teach those in the lower echelons; and of having other methods to raise the qualifications of functionaries. Our functionaries' political and practical qualifications have been incomparably elevated in the process of carrying out the relevant administration work of accomplishing the ideas and tasks elucidated in his work to raise the qualifications of functionaries. All functionaries have grown up as political activists who forcefully organize and mobilize the masses to the accomplishment of the party's policies, seeing more clearly than anyone else through the party's lines and policies that are put forth at every period; they have grown up as respectable guiding officials of the revolution who skillfully manage and operate the large socialist economy, being well versed in modern science and technology. Due to the existence of our functionaries, who are firmly prepared in terms of their loyalty to the party and the leader [suryong], and of their work method and practical qualifications, the singlehearted unity of our revolutionary ranks has been further consolidated; new victories and successes have been achieved in the implementation of our-style socialist cause.

Facing our functionaries today is the honorable task to endlessly improve their method and style of work in conformity with the demands of the developing revolution, and to further accelerate their own revolutionizing while continuing to firmly hold on to the ideas and tasks elucidated in his work to further increase the party spirit, working-class character, and serve-the-people spirit.

To accelerate functionaries' revolutionizing and further elevate their party spirit, working-class character, and serve-the-people spirit are important demands for brilliantly embodying our party's benevolence-oriented politics.

The great leader's last wish was that all functionaries should be more firmly prepared as genuine guiding officials of the revolution, having a strong party spirit, working-class character, and serve-the-people spirit. In accordance with the great leader's last wish, our functionaries should prepare themselves as revolutionaries who are boundlessly loyal to the party and the leader [suryong] as well as to the working class and the people. Herein lies the way for our functionaries to add luster to their precious life and honor as the guiding officials of the revolution and as the genuine, dutiful servants of the people.

Today, as a very important question to shiningly achieve our party's benevolence-oriented politics and to highly display the superiority of our style of socialism, the great leader [yongdoja] Comrade Kim Chong-il has put forth the question of further accelerating the revolutionizing of functionaries and of further increasing their party spirit, working-class character, and serve-the-people spirit; he is wisely leading the struggle to resolve such questions.

We should more firmly prepare ourselves as genuine guiding officials of the revolution with a strong party spirit, working-class character, and serve-the-people spirit by further accelerating revolutionizing, always keeping deep in our hearts the great trust and love of the great leader [yongdoja] Comrade Kim Chong-il who is having us stand at the head of the rewarding struggle for the party and the revolution, and for the fatherland and the people, and who is stretching out his warm hands to lead us so that we can enjoy a valuable life along such a road.

Article Stresses Merits of Collectivism

*SK1402120395 Pyongyang NODONG SINMUN
in Korean 12 Jan 95 p 2*

[Article by Kim Hong-yong: "Collectivism Is a Natural Demand of People Who Are Social Beings"]

[FBIS Translated Text] In his immortal classic work "Socialism Is a Science," the great leader Comrade Kim Chong-il gave scientific elucidation that collectivism is the people's natural demand.

The great leader Comrade Kim Chong-il has noted: Collectivism is the people's natural demand.

The scientific elucidation on collectivism is the most important problem in completing the socialist ideology and in building a socialist society, because socialist ideology is essentially a collective idea and socialist society is based on collectivism.

In short, collectivism is an idea attaching greater importance to the group's interest than to the individual's. The interest of people who live in society as a social group consists of the group's interest and the individual's interest. That collectivism is an idea which attaches greater importance to the group's interests than to the individual's interests does not mean it stresses the group's common interest as an absolute necessity and neglects the individual's interest. Collectivism not only respects the group's common interest, but treasures the interest of all members of the group as well. What collectivism opposes is not the individual's interest itself, but individualism which pursues only the individual's interest at the expense of the group's interest. The essence of collectivism is to help each other and share life and death, joy and sorrow, under the slogan "One for all and all for one!"

Collectivism is not something invented, but is demanded naturally by the people themselves. Since collectivism is an idea that contains the people's natural demand, collectivism has its scientific nature, truthful nature, and vitality as a socialist idea.

In his work, the great leader Comrade Kim Chong-il gave a perfect, scientific, and theoretical elucidation that collectivism is the people's natural demand. Collectivism is the people's natural demand because people are social beings who can pioneer their destiny only in a social group.

People are social beings. Their essential characteristic is that they live as social beings in social relations forming a social group. People can exist and develop when they form a social group and carry out their activities. The process in which people live and develop is the process in which their independence, creativity, and consciousness are continuously displayed and enhanced. Independence, creativity, and consciousness are the social attributes that are formed and that develop in the process in which people form a social group and carry out their activities. People realize their independent demands through the creative activities of remaking nature and society. People can remake nature and society and realize their independent demands only through collective, rather than individual, cooperation among the members of society. This means that living as a member of the social group is the people's inevitable way of life.

In order for people to form and live in a social group, they should realize the independent demands of the group as well as the individual. This can only be realized through collectivism. The group's independent demands are the common demands of society's members for the existence and development of the social group. The individual's independent demand is a demand possessed as an equal member of the group, and is surely guaranteed by the group because of its devotion to the social group.

The individual's independent demand is fundamentally different from one's personal greed that ignores the

individual's independent demand and submits everything to one's personal interests. Collectivism correctly combines the independent demands of the group and the individual, and brilliantly realizes them. Collectivism makes the people aware of the fact that their personal interests can be found in the group's common interests, and that when the group's common interests are realized, their interests can also be realized.

In addition, by letting people mutually cooperate, unite, and jointly struggle, collectivism allows people to display a great power incomparable to the individual's power in remaking nature and reforming society. The individual's demand that is estranged from collectivism will turn out to be personal greed. As a result, the independent demand of the group's other members will be trampled upon, and the group's unity and cooperation will be hindered. Only collectivism can strengthen the group's unity and cooperation, enhance all members' creative enthusiasm, and correctly combine the group's independent demands with that of the individual. Forming the social group and acting inside it is the people's way of life. Because the people's independent demands can be brilliantly realized through collectivism, people regard collectivism as a natural demand.

That collectivism is the people's natural demand is a new and creative ideological theory first put forth and perfectly expounded upon by the great leader [yongdoja] Comrade Kim Chong-il.

Originally, the idea of collectivism ceaselessly developed as a socialist idea. The preceding revolutionary idea expounded that the people's liberation cannot be realized personally, that exploitation and suppression can be ceased, and that the people's true freedom and equality can be achieved with the working class' power that is united collectively. However, the preceding theory could not explain why collectivism is the social human being's natural demand, even though it was able to reveal that collectivism is an important source of the working class' revolutionary struggle. This stems from its failure to inquire into collectivism in link with the people's natural demand.

The idea of collectivism has been developed onto a new and higher stage because the great leader Comrade Kim Il-song created the immortal *chuche* idea as well as developed and completed the socialist idea on the basis of the *chuche* idea. The *chuche* idea has scientifically analyzed people's intrinsic attributes and expounded that the main force of history is not the individual but the social group and popular masses.

By endlessly deepening and developing the immortal *chuche* idea, the great leader [yongdoja] Comrade Kim Chong-il has glorified the *chuche* idea as the great leading idea of the independent era, and on the basis of it, completed the collective idea in a wholesale manner. The idea that collectivism is man's natural demand is a profound and original ideological theory that could only be expounded by the great leader [yongdoja] Comrade

Kim Chong-il who has developed and completed the socialist idea with excelled ideological and theoretical wisdom, with endless loyalty to the socialist cause, and with energetic search and meditation without sleep or rest.

The great leader [yongdoja] Comrade Kim Chong-il's perfect explanation that collectivism is man's natural demand is of great significance.

This is because, in the wake of the definition of this idea, man develops a true view of life and strives for the society and the group, the party and the revolution, devoting his all.

Having a meaningful and valuable life is the invariable hope of man. Whether a man lives his life valuably and meaningfully depends on his view of life. Man's most valuable and happy life is one that meets man's natural demand; the view of life differs according to how man's natural demand is viewed.

By correctly expounding that collectivism is man's natural demand, the great leader [yongdoja] Comrade Kim Chong-il has laid an ideological basis on which man can have a true and collective view of life, and enjoy life's happiness to his heart's content.

The idea that collectivism is man's natural demand is the basis of the chuche-oriented view of life that regards man's most valuable and fruitful life as combining his fate with that of the social group, devotedly serving the social group, and enjoying an independent and creative life under the social group's love and trust.

By elucidating that collectivism is man's natural demand, socialism's intrinsic superiority and the ways to fully display it has been clearly explained.

Collectivism is socialism's ideological basis. The nature of socialism is collectivism; the source of its superiority and vitality lies in collectivism.

By expounding that collectivism is man's natural demand, socialism has been confirmed to be the most advanced and superior society, which meets man's independent demand; a socialist society that stems from collectivism is an invincible society that will live forever in the history of mankind. In addition, in order to build true socialism and a people-centered socialism that brilliantly realizes man's independent demand, the mass indoctrination of the people should be ceaselessly deepened, and all fields of social life should thoroughly embody the collective principle. By doing so, the people who aspire to socialism can staunchly carry out their struggles with a new understanding of the true socialism that has embodied collectivism, overflowing with firm confidence in victory and optimism.

The great leader [yongdoja] Comrade Kim Chong-il's ideological theory that collectivism is man's natural demand is a powerful ideological and theoretical weapon that can deal a decisive blow to the sophism of the

imperialists and their puppets who are maneuvering to distort the nature of human beings and make people ill, both ideologically and spiritually.

Today, imperialists and reactionaries are extolling individualism and deceiving the people to consider it as man's natural demand. This is nothing but a cunning trick aimed at covering the irreconcilable contradiction of capitalist society that is governed by the law of the jungle, as well as at explaining the "eternity" of capitalist society based on individualism. Individualism is not man's nature, but a by-product of the system allowing private ownership. It eventually brings about social inequality while "the rich-get-richer and the poor-get-poorer," as well as confrontation among people. Individualism runs counter to the natural demand of people, who are social beings. Therefore, capitalist society based on individualism becomes an anti-people society that cruelly infringes upon people's independence and moves toward ruin.

Since it has been revealed that collectivism is man's natural demand, the false and deceptive nature of the imperialists' sophism that distorts man's nature and beautifies capitalism has completely been exposed; the anti-people nature of capitalism has been more clearly disclosed.

The new scientific explanation of collectivism given by the great leader [yongdoja] Comrade Kim Chong-il is an extraordinary contribution to the development of socialist ideology and an immortal militant banner that makes it possible to stoutly advance the overall socialist movement on a new scientific basis.

It is our people's greatest pride that they live and carry out the revolution in the most superior society in which chuche-oriented socialist collectivism has been embodied, upholding the great leader Comrade Kim Chong-il, an outstanding ideologist and theorist, at the head of the socialist cause.

All party members and working people should arm themselves more thoroughly with the great leader Comrade Kim Chong-il's chuche-oriented socialist ideology, and should brilliantly realize it. By doing so, they should further strengthen and develop our society as a great harmonized family upholding the great leader as the father.

South Korea

Prosecutor's Office Plans IPR 'Crackdown'

SK1402000895 Seoul THE KOREA TIMES in English
14 Feb 95 p 3

[Report by Sim Chae-yun]

[FBIS Transcribed Text] With the looming inauguration of the new global trade system World Trade Organization, the Supreme Prosecutor's Office (SPO) will embark

on a full-fledged crackdown on violators of intellectual property rights (IPR) that will continue until October.

The special control is designed to cope with the ever-increasing pressure on South Korea by the United States for more substantial measures to protect its IPR here.

The SPO held a meeting of prosecutors in charge of the IPR affairs from across the nation yesterday and decided to conduct an intensive crackdown on offenders until October.

Prosecutor General Kim To-un said, "The act of violating intellectual property rights should not be tolerated in light of the nation's economic level and national pride."

He instructed the participants to take comprehensive measures to prevent the possible violations in cooperation with relevant governmental and non-governmental organizations.

Information networks across the nation will be fully mobilized and used for this end, an SPO spokesman said.

Heavier punishments will be sought for those violating the IPR.

For instance, those who circulate products with fake foreign labels will be put on trial under custody, in principle and heavy fines will be imposed to prevent repeaters.

The SPO, in particular, will place major priority on cracking down on those who produce or trade goods with fake foreign labels and companies which use computer programs illegally.

The goods which will be under close watch will include clothes, shoes and other sundries, he said.

Last year 12,123 people were held for violating the IPR and 617 of them were put under arrest.

A number of 3,434 were caught using fake labels, 5,623 for infringing upon copyrights, 308 for violating the Computer Program Protection Law, 1,761 for copying discs and video tapes and so on.

This contrasts to 1993 which saw 10,837 violators with 842 put under custody.

The SPO which began a massive crackdown from 1989 has apprehended 47,126 IPR violators, so far, and indicted 3,238 of them.

The United States last May included South Korea on its priority watch list.

The current trade conflicts between the United States and China over the latter's alleged violation of intellectual property rights, especially in the field of computers, has prompted South Korea to get tougher with IPR violators, the spokesman said.

Minister Pak on Trade Expectations With U.S.

*SK1402085095 Seoul YONHAP in English 0843 GMT
14 Feb 95*

[FBIS Transcribed Text] Washington, Feb. 14 (YONHAP)—International Trade and Industry Minister Pak Chae-yun predicted Tuesday [14 February] that the volume of South Korea-U.S. trade will more than double from the 40 billion U.S. dollars in 1994 to 100 billion dollars in the year 2000.

Pak made the prediction in an address entitled "New Opportunity in South Korea-U.S. Trade," that he delivered at a breakfast meeting sponsored by the American Chamber of Commerce, citing an advanced pattern of bilateral trade.

In supporting the advanced trade pattern, Pak noted that the weight of "intra-industry trade," under which one side imports parts from the other, manufactures finished products and re-exports them to the other, accounts for more than a half of its trade with the other.

This has contributed to reducing trade frictions between the two countries as well, Pak said.

He also called for expanded mutual direct investments between the two countries to develop a balanced bilateral economic relationship.

"If America's advanced technologies are combined with South Korea's excellent manufacturing skills, the two countries' competitive edge will be enhanced together," he said.

Over 80 U.S. business leaders attended the breakfast meeting.

Ministry Decides Against U.S. Electronic Request

*SK1402051295 Seoul CHUNGANG ILBO in Korean 14
Feb 95 p 1*

[FBIS Translated Text] The Ministry of Information and Communications has decided not to accept the U.S. side's request to simplify the procedure of the supply of electronic exchangers, an issue which is becoming the cause of trade friction in the communications field between the ROK and the United States.

U.S. 'Nontariff Barriers' Charge Criticized

*SK1402093695 Seoul MAEIL KYONGJE SINMUN in
Korean 14 Feb 95 p 3*

[Editorial: "Non-Tariff Round Targeted Against the ROK"]

[FBIS Translated Text] It has been learned that the United States is criticizing the ROK as "a representative country building up nontariff barriers," pointing its finger at the ROK as being at the top on the list of U.S. target countries with which the United States will negotiate in parallel with Japan. Because of foreign countries like the ROK, the United States is also reportedly

pushing for the establishment of a new round aimed at abolishing nontariff trade barriers in the wake of the Uruguay Round.

It is hard to understand such a high-handed attitude of the United States against the ROK which, as the largest friendly country the United States has in Asia, has most broadly accepted U.S. requests in trade relations and which has continuously recorded deficits in its trade with the United States over the past several years. In addition, the United States has taken the attitude toward Japan of attaching importance to statistics in the balance of payments compiled as a result of trade, while finding fault with the ROK over a trifling administrative procedure rather than over results. This attitude lacks impartiality.

As regards Japan, which enjoys a trade surplus totaling \$63 billion annually in its trade with the United States, the United States is asking Tokyo to discuss the resultant balance of payments regardless of the in-between process, thereby trying to hold all-inclusive negotiations with Japan or negotiations on statistics. As regards the PRC, which suffers a trade deficit of \$30 billion with the United States, the United States declared its intention not to hesitate to initiate a trade war against the PRC over intellectual property rights.

Then, as the Japan's ruling party was faced with a crisis of collapse, the United States stopped trade negotiations; as regards its intention to impose sanctions against the PRC, the United States has slowly washed its hands, breaking away from this situation since this phenomenon brought a crisis to the PRC's reform-minded progressive forces. Under these circumstances, the United States is trying to bash the ROK. We cannot help but regard such an act as a means for the United States to save face.

Under these circumstances, East Asian nations have obviously been trying to unite themselves around the East Asian Economic Cooperation (EAEC) Forum, breaking away from the Asian-Pacific Economic Cooperation (APEC) Forum. In recent days, the PRC has turned out to actively support the EAEC, while Japan's Keidanren [Federation of Economic Organizations] is reported to be seriously considering supporting EAEC initiatives. Japan's Keidanren once expressed its official stance that APEC should serve as a forum to promote understanding among member nations and provide aid for their development, rather than as a forum to hold negotiations on trade and the opening of investment markets. Through Imanishi Shojiro, Japanese ambassador to Singapore and concurrently secretary general of APEC, the Japanese Government has shared such Keidanren views.

Now is the time for our government to actively consider participating in EAEC, which is being pushed by the PRC, Japan, Malaysia, and Singapore. When comparing the U.S. attitude toward Japan or the PRC with that toward us, it is no exaggeration to say that the U.S. trade

policy exposes the U.S. attitude of playing the weak off its strong opponents while playing the strong off its weak opponents. We should seriously look back to see if our quiet attitude of accepting U.S. requests without issuing complaints is only attracting greater pressure from the United States. Now is the time to more actively explain to the United States our pending trade issues with them. Above all, we need to let the United States know that Washington may be wrong if it thinks it can obtain anything by applying pressure on the ROK.

There are already many factors arousing tension in East Asia, such as the future death of Deng Xiaoping, North Korea's nuclear issue, and the transfer of Hong Kong to the PRC in 1997. Under this condition, we also need to make an affirmative approach to the idea of establishing a cooperative body of East Asian nations centered around EAEC.

Reactor Planning Team Director Choe Interviewed *SK1402075895 Seoul HANGYORE SINMUN in Korean* *14 Feb 95 p 18*

[Interview with Choe Tong-chin, director of ROK's light-water reactor project planning team, by Kang Tae-ho; place and date not given: from the "An Interview on Tuesday" column—first five paragraphs are HANGYORE SINMUN introduction]

[FBIS Translated Text] The Korea Energy Development Organization (KEDO), an international consortium that will take charge of implementing the North-U.S. agreement reached in Geneva—including the supply of light-water reactors and alternative energy sources—will be formed in 15 days. On the assumption that KEDO will be officially inaugurated at the beginning of March, the ROK, the United States, and Japan will hold a high-level businesslike meeting at the end of this month to fine-tune a draft agreement on establishing KEDO.

At the present moment, North Korea is expressing a strong rejection to "ROK-style light-water reactors." This notwithstanding, the ROK and the United States are definitely stating that "North Korea, too, is well aware of the fact that there is no choice but ROK-style reactors." Although it is expected there will be some rough sailing ahead, the two countries share the view that, following the establishment of KEDO, an agreement on the supply of light-water reactors will be concluded in April as scheduled.

\$4 Billion Needed To Construct Light-Water Reactors

This year, can South and North Korea begin a \$4 billion project to construct light-water reactors, which is the largest cooperative project since national division and which is a "peace project," to end the nuclear crisis on the Korean peninsula?

Choe Tong-chin, 60, director of ROK's light-water reactor project planning team, is the man responsible for the management and operation of KEDO and who will

give financial and technological support to KEDO so that we will play a significant part in the organization. He thinks this is the most difficult job he has assumed since he began working as a Foreign Ministry bureaucrat 35 years ago. In the meantime, he has been dealing with his work in a calm and scrupulous manner.

He worked in a post that dealt with the North Korean nuclear issue as the first assistant foreign minister in 1994; and was transferred to the light-water reactor project planning team in January 1995. Director Choe is busy putting finishing touches to a working-level job to establish KEDO by early March with a team of 43 experts from the National Unification Board, the Ministry of International Trade and Industry, the Foreign Ministry, and the Ministry of Science and Technology.

[Kang Tae-ho] In view of North Korea's present attitude, some are questioning if the schedule, including the supply of light-water reactors, can proceed smoothly, are they not?

[Choe Tong-chin] Up until today, the United States has held two rounds of expert-level talks with North Korea on the supply of light-water reactors. This should have been carried out by KEDO originally because KEDO is the main body to conclude an agreement on the supply of light-water reactors. As KEDO has not yet been established, the United States has assumed this role as a temporary step. As North Korea is still showing a strong rejection to ROK-style reactors, it is true that the prospects for the future of the negotiations are gloomy. We promised to bear the financial burden on the premise that ROK-style atomic reactors will be furnished, therefore, we cannot bear the financial burden if ROK-style reactors are not adopted. Accordingly, there is no choice but ROK-style reactors. No other country can bear such a huge financial burden. North Korea, too, is well aware of this. This has been mentioned and stressed on several occasions by the United States in its negotiations with North Korea in Geneva. North Korea is now showing an unyielding attitude, but will North Korea continue not to accept ROK-style reactors in the long run?

[Kang] I understand, however, that this supply of light-water reactors will not be free. On this basis, is North Korea not exercising a purchaser's right to select the reactor type in conformity with international practices?

[Choe] It is true that the agreement on the supply of light-water reactors specifies that "the supply of light-water reactors will be an onerous task" and that North Korea promises repayment. This is not an international, commercial manner to furnish money. We can say that the supply will be realized free of interest, and that if repayment is needed, it can be made in kind. This is not a contract for which North Korea will place an order by collecting funds on the international market. If we supply funds according to normal procedures and to regular commercial and international financing practices, then, North Korea's allegation will prove to be correct.

[Kang] In consideration of North Korea's position, is there any way to supply North Korea, in practice, with ROK-style light-water reactors, without using the expression "ROK-style reactors" in the agreement on the supply of reactors?

[Choe] We call such reactors ROK-style reactors because the ROK will draw the designs, manufacture, and put into operation most of the equipment and materials to be made in accordance with such designs. Therefore, there is no reason for us to call such reactors otherwise at the present moment. This is not a simple matter of name alone.

[Kang] The central role of the ROK is often mentioned. How is ROK's role specified in KEDO?

[Choe] A central role means "a key role in the supply of light-water reactors," and the ROK, the United States, and Japan will assume the joint responsibility in operating KEDO. KEDO's important policies will be made by its executive committee, which will be made up of the ROK, the United States, and Japan, and decisions will be made by an unanimous vote. In other words, like other countries, our country will have veto power.

[Kang] My understanding is that the light-water reactors will be constructed on a turn-key basis. In concluding a specific construction contract, will our enterprises be guaranteed a level of participation in this project equivalent to our share of the financial burden?

[Choe] Because our country will play a central role in the supply of light-water reactors, ROK enterprises will serve as main contractors. That is, they will be in charge of drawing designs and manufacturing and putting into operation the equipment and materials to be needed. While focusing on this, we are considering providing supplies in kind. Accordingly, our share of the cost will be borne by our enterprises. There will never be a situation in which U.S. enterprises make relevant transactions, while we foot the bills. The amount of our supplies—converted into currency terms—in kind will be recorded in KEDO's account book. Also, it is necessary to reach an agreement between South and North Korea on the peaceful use of atomic energy. As the United States will supply 7 percent of the technology to the ROK to build the atomic power plant, we will have no choice but to ensure the United States provides its own technology and facilities, such as some structures needed inside the atomic reactors, control rods, and driving gears. Because the domestic law of the United States requires the conclusion of an agreement on atomic-related cooperation, it is necessary for the North and the United States to conclude another agreement in addition to the agreement on the supply of light-water reactors.

[Kang] We are very much interested in the ratio of our share of the cost. What is your view?

[Choe] We have not yet begun relevant negotiations on that issue. After KEDO is established, the ROK, the

United States, and Japan will have negotiations on the ratio and type of cost sharing. It is too early to discuss that issue. In connection with the plan to share the cost, there will be another agreement or a convention in addition to the agreement on the establishment of KEDO. This will have to be approved by the National Assembly.

[Kang] With the establishment of KEDO in early March, will a decision be made on the participating nations?

[Choe] The ROK, the United States, and Japan will participate in KEDO as charter members. I do not think the rest of the participating countries will be determined by that time.

Decisions Will Be Made by a Unanimous Vote Between the ROK, the United States, and Japan

[Kang] From the viewpoint of the ROK, the most difficult question is to select a location of the atomic power plants. It has been reported that North Korea has selected Kumho-ri, Sinpo, North Hamgyong Province for the construction of the atomic power plants.

[Choe] In 1985, the then Soviet Union had already finished its own survey of the location in accordance with the agreement on the construction of an atomic power plant between North Korea and the Soviet Union. We are also considering it a primary candidate site. With this information as reference data, we will have to send a survey team to examine if Sinpo is really suitable for such construction. [end Choe]

After graduating from the Department of Political Science of Seoul National University in 1958, Director Choe passed a Foreign Ministry examination, and later completed his military service. He has been a veteran Foreign Ministry bureaucrat who has worked only at the Foreign Ministry for 35 years since 1960.

In the latter half of the 1970's, he served as a counselor at the ROK Embassy in Japan. In the first half of the 1980's, when he was the director general of the Asian Affairs Bureau, as he now remembers, he faced his most difficult experience with Japan's distortion of history in textbooks and of the ROK's negotiations with Japan over loaning \$4 billion in security-related economic cooperation. Of course, this happened before he assumed his present job. Director Choe is a well-known Asian affairs specialist because he has served as the director of the Southeast Asian Affairs Division, the director of the Southwestern Asian Affairs Division, and the director general of the Asian Affairs Bureau. He is known as a soft-minded high-ranking official who is meticulous in dealing with his job and pays attention to every detail.

As he puts it, the planning team has begun its own "newly married life" in a corner of the Secretariat of the South-North Dialogue in Samchong-tong, Seoul. Although it has been about 20 days since the team began operations, only half of the more than 40 officials who

are supposed to work for the team have come to work because the team's office is too small. The team does not seem to receive its due treatment. This judgment does not seem to be only this reporter's opinion.

U.S., DPRK 'Agreed' on Storage of Fuel Rods

OW1402150195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 14 Feb 95 Morning Edition p 8

[By Tsuyoshi Haruhara]

[FBIS Translated Text] Washington, 13 Feb— Details have been revealed of an agreement reached recently between the U.S. and the North Korean Government on how to store Pyongyang's used nuclear fuel rods.

According to U.S. and North Korean negotiators, the two governments, among other things, agreed: 1) They will prepare 200 special containers, each with the capacity to hold 40 rods, to store 8,000 fuel rods; 2) the special containers will come in two types; the "dry storage type" will be used mainly for storing liquid gases, the "liquid storage type" will be used to hold cooling liquids; and 3) the work of loading the new containers with fuel rods will be completed this fall.

On the basis of this agreement, it seems the United States will wash the cooling pools, where the fuel rods are currently stored, by as early as April and start loading the containers.

The "framework agreement" between the United States and North Korea treats the issue of used North Korean nuclear fuel rods as very important. At working-level meetings, the two countries have been discussing concrete storage methods.

According to U.S. and North Korean negotiators, North Korea was initially "asking for a dry storage system for all 8,000 fuel rods."

However, a U.S. inspection team which recently visited the nuclear facilities in Yongbyong, North Korea discovered that some of the fuel rods had become further corroded. As a result, North Korea agreed that the fuel rods be stored in liquid coolant tanks—a method it has been reluctant to employ—together with storing them in liquefied gas tanks.

According to the U.S.-DPRK nuclear accord, the fuel rods are to be transferred to third countries when the main components of the new light-water reactors arrive in North Korea.

Another U.S. Government official, who confirmed that both China and Russia have refused to accept the fuel rods, said of the used fuel rods: "The United States does not want them, either."

He disclosed that the United States had in mind the U.K., France, and Australia, among others, as countries that might eventually accept the fuel rods.

GM Reportedly Wants To Produce Cars in DPRK

*SK1402013795 Seoul YONHAP in English 0130 GMT
14 Feb 95*

[FBIS Transcribed Text] Washington, Feb. 13 (YONHAP)—General Motors [GM] is seeking to produce cars in North Korea for export to China and Russia, a well-informed business source here said Monday.

The leading U.S. auto maker is one of 11 businesses in the first-ever private American business mission visiting the isolated communist country this week, as Washington eased economic sanctions against it late last month.

The source said GM's proposal appears to be part of its long-term business plan, adding the plan's feasibility is not certain.

GM is taking into consideration not only North Korea's cheap but ingenious workers, but also its easy land access to China and Russia. If relations with North Korea steadily improve, it would not be hard for GM to provide auto-making knowhow to the North Koreans, he remarked.

North Korea, recognizing the need to develop their automobile industry, must have specifically mentioned GM when it invited U.S. firms to visit, he observed.

The American business mission's visit is chiefly for sounding out the North Koreans on the possibility of long-term U.S. business projects in the country, and no company-to-company trade contracts can be concluded until after Washington removes trade restrictions on North Korea, he explained.

Admiral Zumwalt and Consultant Co., which arranged the mission's travel to Pyongyang via Beijing, said that because Pepsi Cola gave up its mission membership at the 11th hour, the mission size had been reduced to 18 members from 11 firms, including GM and MCI communications.

Paek Yong-chung, 65, of a construction materials company in California, is the only Korean-American businessman in the mission.

North Making Efforts for Roger Clinton Visit

*SK1002052395 Seoul CHOSON ILBO in Korean 10
Feb 94 p 27*

[FBIS Translated Text] North Korea is now making all possible efforts to invite (Roger) Clinton, U.S. President Clinton's young brother and a pop singer, to participate in the Pyongyang International Festival of Sports and Culture slated for April.

Since late last year, North Korea has been negotiating Roger Clinton's performance in the Pyongyang festival through Kim Yong-sun, secretary of the North Korean Workers' Party Central Committee, who is also the chairman of the "Asian-Pacific Peace Committee" that

sponsors the festival. However, North Korea has failed to receive a definite answer from Roger Clinton.

It has been learned that North Korea has recently negotiated for Roger Clinton's Pyongyang performance through pro-North Korean figures residing in the United States. North Korea has reportedly proposed to him hundreds of thousands dollars as a fee in an effort to get him to perform in Pyongyang.

Why is North Korea so tenaciously waging the offensive to invite Roger Clinton to participate in the Pyongyang festival? North Korea seems to be attempting to promote the box-office value of the Pyongyang International Festival of Sports and Culture so that it can not only invite more tourists, but also expedite the establishment of relations with the United States.

In particular, as a main event of the festival, North Korea originally planned to wage a match between Inoki of Japan and George Foreman, world heavyweight championship boxer. With Foreman's refusal to visit North Korea, however, the possibility of a match between the two has become uncertain.

Such being the situation, according to an analyst, North Korea has no choice but to concentrate more efforts on inviting Roger Clinton to visit North Korea instead.

DPRK Increases Sugar Purchases From South

*SK1402014795 Seoul YONHAP in English 0138 GMT
14 Feb 95*

[FBIS Transcribed Text] Seoul, Feb. 14 (YONHAP)—North Korea recently stepped up its purchase of sugar from the South, government and business sources said here Tuesday.

The government approved about 8,440 tons of sugar, worth 3.5 million dollars, in sales to the North last year, compared to 700 tons approved in 1993.

A record amount of 6,151 tons of sugar, worth 2.63 million dollars, was approved in December last year, but only about 3,000 tons were actually delivered to the North in January, according to the sources.

About 2,800 tons of sugar, worth 1.01 million dollars, were delivered to the North in the first 11 months of last year.

The sources guessed that North Korea may give its people gifts of sugar for the birthday of Kim Chong-il, de facto leader of the North, which falls on Feb. 16.

President Kim Urges Unification Strategy Efforts

*SK1402050995 Seoul YONHAP in English 0500 GMT
14 Feb 95*

[FBIS Transcribed Text] Seoul, Feb. 14 (YONHAP)—President Kim Yong-sam Tuesday called on the advisory council on democratic and peaceful unification to

redouble its efforts to "rectify misled views of North Korea that exist in some quarters of the country."

The chief executive issued the instruction, pointing out that the North Koreans are intensifying their unification front strategy, in a Chongwadae [presidential offices] briefing session involving the advisory council.

Pyongyang's unification front strategy is aimed at creating social confusion and rallying sympathizers in South Korea.

Noting that territorial reunification is "a goal for the globalization drive," President Kim asked the advisory council to play a leading role in formulating a national consensus on unification and in consolidating national capabilities.

In a report on his agency's programs for the year, the secretary-general of the advisory council, Pak Sang-pom, said priority will be placed on "blocking the North's unification front strategy and impeding the spread of North Korean influence among ethnic Koreans in the United States, which is expected following the opening in Washington of a North Korean liaison office."

To fulfill this goal, unification seminars and forums will be held in the United States, according to Pak.

The advisory council will also endeavor to restore national homogeneity by expanding exchanges between the pro-Seoul Korean residents' union in Japan, Mindan [South Korean Resident's Association in Japan], and its pro-Pyongyang counterpart, Chongnyon [General Association of Korean Residents in Japan], Pak said.

North Said Willing To Cooperate on UN Projects

SK1002053895 Seoul CHOSON ILBO in Korean 10 Feb 95 p 3

[Report by correspondent Hong Sok-chun from New York]

[FBIS Translated Text] It was learned on 9 February, that North Korea recently expressed its intention to cooperate on South-North joint-venture projects of the United Nations Development Program (UNDP) to relink the railway lines between the South and North, and to protect the ecological environment in the DMZ, thereby indicating bright prospects for the realization of such projects.

That day, a relevant Foreign Ministry official accompanying Foreign Minister Kong No-myong on his visit to the United Nations Headquarters, said: "North Korea has unofficially expressed to the UNDP its intention to cooperate, mentioning the fact that the UN-initiated South-North projects are apolitical."

In his meeting with UN Secretary General Butrus-Ghali on 8 February, Minister Kong exchanged opinions with

Butrus-Ghali on North Korea's response and conveyed our government's policy of cooperating on this.

Professor: DPRK's Christianity Policy Changing

SK1002052895 Seoul YONHAP in English 0507 GMT 10 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 10 (YONHAP)—Interest is mounting in the status of religion in North Korea and in the inter-Korean exchange of religionists, as Pyongyang has invited South Korean religious leaders to visit the North and as the South Korean Government is considering permitting their visits to North Korea.

North Korea's Christianity policy, unlike generally perceived, does not call for blind oppression, and since the 1980s Pyongyang has endeavored to harmonize political ideologies with religious doctrines.

Prof. Yu Chong-son of Ulsan University notes that North Korea, which once brutally oppressed Christianity, has shown policy changes toward Christianity under its effort to reinforce a "united front" with dissident South Korean religionists since the 1970s.

Such changes are supported by the fact that anti-religious propaganda in North Korea has considerably subsided recently, and positive "religious propagation" has tacitly been permitted to a substantial level.

Prof. Yu makes these observations in his paper entitled "A Study on the Possible Expanded Exchange of Religionists Between South and North Korea and Its Effects on Unification."

Though such North Korean moves have yet to be refined theoretically and still fall far short of quelling Christians' traditional apprehension of communism, Prof. Yu says, they are significant in suggesting Pyongyang's move toward "positive tacit approval of religious propagation."

Even Kim Il-song reportedly said in a commentary entitled "The Great Bosom of Patriotism," that was carried in the daily PYONGYANG SINMUN in 1987: "I don't believe in God, but I don't disapprove of religionists... We intend to jointly construct a new Korea by cooperating with those who adhere to religions."

In other words, this means that the North Korean authorities did not adopt a "proscription of Christianity" as a formal ideology of the state, as they didn't "encourage" religion.

It is known formally that North Korea has over 10,000 Christians and hundreds of "home churches." But there are only two official churches in Pyongyang named "Pongsu" and "Chilgok."

Once called the "Jerusalem of the Orient," Pyongyang before the nation's liberation from Japanese rule in 1945 had over 2,000 churches with a total congregation of more than 250,000.

It is informally known that North Korea has hundreds or thousands of "underground churches" and tens of thousands of "underground believers." That they have survived in the monolithic society of the North can be ascribed to the authorities' "tolerance." In this respect the term "underground church" is no longer valid, Prof. Yu maintains.

The existence of underground churches belies something beyond "tacit approval." Prof. Yu thinks there must be some pre-condition for the authorities' tolerance, namely, that churches should positively participate in "the revolutionary task" or at the very least must not stand in the way of it. After all, churches in North Korea might have forsaken their "reactionary" ideologies or inclinations in order to survive, Prof. Yu points out.

Another ground explaining the existence of churches in the North is the fact that "chuche (self-reliance) ideology" and Marxism have different views on religion. While Marxism unconditionally rejects religion as an unscientific view of life, chuche ideology holds this stand: "A religion reflecting proper understanding and demand from the people shall not be proscribed."

Dutch Banker Discusses Advances Into DPRK

SK1302134795 Seoul MAEIL KYONGJE SINMUN in Korean 13 Feb 95 p 6

[By reporter Kim Yong-chin]

[FBIS Translated Excerpt] "North Korea is not exceptional." This statement was made by Yan Bosma [name as transliterated], the Seoul branch chief of the Netherlands' International Bank (ING) who recently returned to Seoul after signing a contract with North Korea to establish the joint-venture bank ING Northeast on 25 January, while mentioning the secret of his success in concluding the contract with North Korea.

He said that since ROK businesses are taking a keen interest in advancing into the North Korean market, and since North Korea is expected to adopt an open economic policy like the PRC and Vietnam in the future, his bank pushed ahead with the joint venture with North Korea as part of the ING strategy, a strategy that has the reputation of offensive advance into newly emerging markets.

Bosma said that North Korea selected ING as its partner because it wants to demonstrate to the world that it can induce foreign capital from a famous foreign bank.

Bosma said a five-member North Korean delegation, four from the Korea International Insurance Corporation and one from the Committee for the Promotion of External Economic Cooperation, participated in the meeting held in Amsterdam, Netherlands on 25 January for the purpose of signing the contract. He added: "Legal procedures for obtaining approval from North Korea's central bank still must be obtained, but this is no more than a formal step."

ING plans to open its Pyongyang branch and the headquarters of the joint-venture bank in the Najin-Sonbong District simultaneously in April or May, but will maintain a paper company-style operation at its Najin-Sonbong headquarters for the time being.

Regarding the recruitment of manpower, Bosma stated: "For a while, the Pyongyang branch will be operated by an informally designated British manager and two assistants."

In particular, the ING's chief of the joint-venture bank is to keep in close contact with the Seoul branch chief, Bosma. Accordingly, in the future it is expected that domestic enterprises planning to advance into North Korea will frequently visit the ING Seoul branch located at Kwanghwamun, Seoul.

Noting that "North Korea expressed great interest in being trained in the international banking business," Bosma stated: "If possible, ING will employ experienced North Korean employees who can be easily trained for the joint-venture bank."

He added: "ING is considering a plan to integrate the Pyongyang branch into the joint-venture bank in the Najin-Sonbong District when the situation is right." He also stated: "The joint-venture bank will mainly handle overseas dispatches of money- and credit-related business for multinational enterprises, including ROK companies planning an advance into North Korea." He stated that, in addition to this, it will also offer loans for the operation of North Korean enterprises.

Bosma believes the business environment is better in North Korea than in the PRC, citing that only offshore financing is allowed to foreign banks in the PRC, while the ING Northeast Bank is allowed to handle domestic business in North Korea.

Bosma stated: "We had legal problems in the course of negotiations with North Korea, but do not expect significant limitations in doing business as we agreed to follow British and U.S. laws, not North Korean law, in regards to management and administration."

ING has branches in 43 countries. The bank is particularly interested in newly developing markets in Latin America, East Europe, Asia, and Africa. ING Bank's total assets as of the end of 1994 were \$118 billion; it ranks seventh in Europe, and was selected "the best emerging market bank in 1994" by EUROMONEY. The bank is renowned for its aggressive marketing strategies.

Bosma said: "We recently opened branches in Bulgaria, Romania, and the Republic of Ukraine. We plan to open a branch in Vladivostok in March and another in Shanghai before summer." The bank is particularly active in foreign remittance and trade financing in Communist countries like Cuba. Bosma stressed this is because the bank conducts market surveys prior to

opening branches, and has been able to maintain continuous transactions. ING is preparing to enter Southeast Asian markets in Pakistan and India.

Bosma added: "Like the ROK, the Netherlands relies greatly on foreign trade. Overseas development is inevitable."

Bosma advised that, in order for foreign banks to survive in the drastically changing economic situation of the ROK, they have to make the most of their individual specialty and character rather than adhere to traditional business practices so as to develop the gap market. He said ING would make the most of its experience in developing potential markets to support ROK companies to actively invest overseas. Bosma hinted ING is planning to expand in Asia, saying the bank is optimistic about the economic prospects of the ROK and Southeast Asian countries, and plans to increase the total amount of credit. [passage omitted]

Envoy Advises No Emotions in Ties With Japan

SK1402084195 Seoul YONHAP in English 0822 GMT 14 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 14 (YONHAP)—South Korea must approach economic issues with Japan strictly from the standpoint of economy and refrain from linking them to emotional agonies of the past in order to develop positive bilateral relations for the 21st century, Ambassador to Japan Kim Tae-chi said Tuesday [14 February].

Ambassador Kim, meeting reporters while attending an annual home meeting of mission chiefs, urged the people of the country to foster an atmosphere in which the Japanese could feel comfortable and safe making investments in the country.

Kim was referring to ways of redressing the huge trade imbalance between the two countries.

He insisted that the Japanese tend to fear the hostility of South Koreans against the Japanese, labor unrest and other social conflicts in the country.

Appreciative of Japanese support for Kim Chol-su's bid for the seat of the first director general of the World Trade Organization (WTO), he also maintained that "We need to have open minds and thank the Japanese for their supportive actions for South Korea in a variety of fields for the improvement in bilateral relations."

He stressed that the past should not be a hurdle to settling pending issues between the two countries, adding that "both sides will need to refrain from provoking each other by doing things which could rekindle the past."

"In one instance, there is no merit in reacting sensitively to every remark made by the Japanese, including one recently made by the Japanese Prime Minister Tomiichi

Murayama (who said that the Japanese held no responsibility for the separation of the Korean peninsula)," said the envoy.

He also said that South Korea must gradually accept Japanese culture and related government ministries are studying ways to carry it out.

On the improvement of relations between Pyongyang and Tokyo, he said that the South Korean Government does not oppose it and the Japanese Government has been closely consulting with South Korea in dealing with the matter.

Daily Analyzes Foreign Minister's Overseas Trip

SK1302125495 Seoul KYONGHYANG SINMUN in Korean 13 Feb 95 p 2

[Article by Yi Pyong-kwang from "Reporter's Memo" column: "Foreign Minister Kong Puts on Good Appearance But Is Empty Inside"]

[FBIS Translated Text] It is the Foreign Ministry's own assessment that Foreign Minister Kong's recent visit to the United States, the United Nations, and Japan, his first such visit since taking office, was "successful."

While he was there, Foreign Minister Kong reconfirmed the ROK-U.S.-Japanese cooperation system to implement the DPRK-U.S. agreement, and made some positive headway concerning the ROK's becoming a nonpermanent member of the UN Security Council.

Prior to his first meeting with Foreign Minister Kong, U.S. Secretary of State Warren Christopher provided an opportunity for him to hold a news conference with domestic and foreign reporters. Also, UN Secretary-General Butrus Butrus-Ghali arranged a tete-a-tete breakfast meeting for Foreign Minister Kong. As expressed by the Ministry of Foreign Affairs, this was unprecedented. Japan has accepted the ROK's proposal to hold ROK-Japanese foreign ministers talks during the anniversary of Japan's national founding. This can be regarded as a special consideration for Foreign Minister Kong.

It is true, however, that even if we are partially understandable of the Foreign Ministry's assessment, there is something to be said regarding it.

While Kong was in Washington last week, Washington was troubled by reports that North Korean religionists had visited U.S. President Clinton.

Foreign Minister Kong chose to believe the United States, an ally of the ROK, when it officially denied reports that the religionists visited the White House and President Clinton, rather than believe North Korea, which has exaggeratedly reported on the religionists' visit. Later, the White House confirmed their visit. As a result, Kong was in a wretched position, like a person who was injured by his own ax.

While in the United States, Foreign Minister Kong and his company did not raise a word of protest against the United States, instead saying: "It seems the U.S. State Department does not intend to hide the truth, but has failed only in completely understanding the situation in the White House."

It was strongly observed that with the approach of talks with the foreign minister of Sri Lanka, which is competing with the ROK to become a nonpermanent member of the UN Security Council, Foreign Minister Kong will propose during his UN visit that one side should make many concessions to the other if the former loses the first election.

Because one country must obtain more than two-thirds of the valid ballots to become a nonpermanent member of the UN Security Council, it is not clear if the two continue to compete with each other whether they will become nonpermanent members.

Foreign Minister Kong has only asked the United States to play fair, failing to say what he really meant.

During a meeting of the ROK-Japanese foreign ministers, they discussed the great earthquake in Kobe, the North Korean nuclear issue, mutual cooperation between the ROK and Japan in the United Nations, the election of the secretary general of the World Trade Organization, and economic cooperation between Asia and the Pacific. In other words, the main points of the talks were to closely cooperate with each other.

However, not noted during their discussions were uncomfortable issues between the ROK and Japan such as correcting the trade imbalance between the ROK and Japan, of discrimination against Korean residents in Japan, and Diet member Nakamura's remarks.

Reporters who accompanied Foreign Minister Kong believe that during his visit, even if he achieved good results in appearance, he actually failed to obtain satisfactory results.

I wonder how the people will score him regarding the outcome of his overseas trip.

Cuban 'High-Ranking' Official's Visit Reported

SK1402011395 Seoul SEOUL SINMUN in Korean 14 Feb 95 p 1

[Report by Yu Min]

[FBIS Translated Text] It was confirmed on 13 February that one high-ranking government official of the Cuban Government, with which we have no diplomatic relations, paid a visit in extreme secrecy to the ROK at the invitation of the government in November 1994. He made a return trip after discussing with ROK officials procedural matters—to be discussed prior to negotiations to establish diplomatic relations—and the question of economic cooperation.

On that day, one government official concerned said: "One vice-ministerial official from the Cuban Ministry of Foreign Trade visited our country for two nights and three days in November 1994. He returned after meeting with officials from the Foreign Ministry and the Ministry of International Trade and Industry, and officials involved in national security issues. I understand, however, that the matters discussed were not for immediately establishing diplomatic relations, but mainly for realizing the two countries' economic cooperation."

Our country's officials have visited Cuba on several occasions, but this was the first time a Cuban vice-ministerial official has ever visited our country since 1959 when diplomatic relations with Cuba were severed.

Ministry Denies Ties Discussed

SK1402021695 Seoul YONHAP in English 0154 GMT 14 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 14 (YONHAP)—Cuban Vice Foreign Trade Minister Aleida Garcia had visited Seoul for five days starting Oct. 8 last year to discuss with local business leaders the possibility of launching joint projects in automobiles and other business sectors, according to Foreign Ministry Spokesman Yu Kwang-sok Tuesday.

Garcia, however, did not meet with any government officials in the country, said Yu, dismissing as groundless reports that the Cuban official contacted Foreign Ministry officials to discuss establishing formal diplomatic relations with South Korea.

The ministry spokesman stressed that the visit was made on a strictly private basis because a local carmaker, not the government, invited Garcia. Yu would not reveal the name of the automaker.

Paper Views 'Estranged' Relations With Russia

SK1302120195 Seoul SEOUL SINMUN in Korean 13 Feb 95 p 4

[By reporter Yi To-un]

[FBIS Translated Text] Relations between the ROK and Russia are unusual. Ever since the former Soviet Union and the ROK established diplomatic ties in 1990, both the former Soviet Union and Russia, in their relations toward the Korean peninsula, have made efforts for a close friendship almost unilaterally with the ROK. Russia and the former Soviet Union seemed to take no regard of their relations with North Korea, Moscow's traditional ally, which were going to be broken off. However, it seems Russia is shifting its attention gradually from the ROK back to the North.

This is shown by Russia's attitude toward the resolution of the North Korean nuclear issue. Russia rejects participation in the Korean Energy Development Organization [KEDO]. That is, it does not want to play a secondary role in solving the nuclear issue in the shadow

of the primary role being played by the ROK, the United States, and Japan. In addition to rejecting participation in KEDO, Russia insists on providing Russian-style rather than ROK-style light-water reactors to North Korea. Among the four, strong countries surrounding the Korean peninsula that should play a more important role than anyone else in resolving the North Korean nuclear issue, Russia is the only country that makes the ROK position difficult. Some believe Russia wants to provide Russian-style reactors to North Korea simply for economic reasons. However, if the adoption of Russian-style reactors occurs, it would prove impractical because there is no way for Russia to procure the \$4 billion amount needed to build the reactors. The government believes Russia is approaching North Korea out of a desire to restore its influence on the Korean peninsula rather than to realize the provision of Russian-style reactors to North Korea. A government official explained that Russia is greatly embarrassed by the situation in which Russia is losing its position as a superpower, both inside and outside the country. That is, Russia seems to believe it is crucial to exercise its influence over the Korean peninsula, which is a strategic location, in order to maintain its position and vanity as a superpower; to this aim, Russia supports North Korea.

The government believes that, in addition to the Russian strategy, the ROK people's view toward Russia is another factor that has deepened the gap between the two countries. The ROK press has described Russian President Yeltsin as a violent, drunken brawler, while describing former Russian President Gorbachev as a protector of the peace who put an end to the Cold War. It has also invariably described Russia as a hopeless and poor country. Through various channels to our government, Russia has repeatedly expressed its strong dissatisfaction over this. Some feel Moscow's sense of alienation over the past two years during the negotiations to resolve the North Korean nuclear issue has also made Russia unhappy.

It is natural for our government to be anxious. The government is using various channels to persuade Russia to participate in KEDO, and has mapped out a plan to resume the suspended negotiations with Russia on economic cooperation. It is unclear whether the government's diplomatic offensive will be effective. A government official noted that "Russia has unnecessarily been undervalued so far," and added: "Enormous efforts are needed to restore the estranged diplomatic relations."

PRC Women's Federation Leader Arrives in Seoul

*SK1302124495 Seoul YONHAP in English 1155 GMT
13 Feb 95*

[FBIS Transcribed Text] Seoul, Feb. 13 (YONHAP)—Chen Muhua, president of the All-China Women's Federation, arrived in Seoul Monday [13 February] for a six-day official visit at the invitation of Second Minister of State Kim Chang-suk.

During her stay in Seoul through Saturday, Chen will confer with Minister Kim on ways to stage successfully the Fourth World Women's Conference slated for coming September in Beijing.

Chen's federation is the host organization of the Beijing World Women's Conference and a Non-Governmental Organization (NGO) forum.

Chen, who is also vice chairwoman of the Standing Committee of the National People's Congress of China, is expected to meet with National Assembly Speaker Hwang Nak-chu to discuss stepped-up exchanges between their two parliaments.

Decline in 1994 Share of World Trade Reported

*SK1002011095 Seoul YONHAP in English 0021 GMT
10 Feb 95*

[FBIS Transcribed Text] Seoul, Feb. 10 (YONHAP)—South Korea's share in the volume of world trade fell back to 1.9 percent last year from 2.2 percent in 1993.

World Trade Organization (WTO) materials obtained by the Korea Foreign Trade Association showed Friday that South Korea's two-way trade volume amounted to 198 billion U.S. dollars last year to rank 13th among world countries just behind Singapore.

In 1993 the country's trade volume stood at 167 billion dollars, 12th largest in the world.

Singapore, which ranked 14th behind South Korea and even Taiwan in 1993, outperformed Korea last year by exporting and importing 199 billion dollars to emerge as the 12th largest trading country.

Last year Singapore registered the highest trade growth, 25.3 percent, in the world, followed by China with 20.9 percent and South Korea and Spain with 18.6 percent.

China's trade volume jumped from 196 billion dollars in 1993 to 236.7 billion dollars last year. It ranked 11th in trade volume.

Hong Kong, which ranked eighth in 1993, saw its trade volume expand from 274 billion dollars in 1993 to 314 billion dollars last year. It outran Canada to stand to be the seventh largest trader.

The six largest trading countries last year were the United States, Germany, Japan, France, Britain and Italy in that order.

Reward Offered for Foreign Trainee Deserters

*SK1302105695 Seoul YONHAP in English 0730 GMT
13 Feb 95*

[FBIS Transcribed Text] Seoul, Feb. 13 (YONHAP)—The Korea Federation of Small Businesses (KFSB) has decided to offer reward for the capture of foreign on-the-job trainees leaving their work sites without due permission.

Fifty thousand won (63 U.S. dollars) will be awarded to those who help find out foreign industrial trainees, who have broken from their designated training companies, the federation said Monday [13 February].

The awarding system will be enforced in a steady and persistent manner until illegal job desertion by foreign trainees is eradicated, a federation official said.

Of a total of 18,925 alien trainees who entered the country from the end of last May through last month, 3,274 or 17.3 percent have reportedly deserted their original training places.

New DLP Secretary General's Election Analyzed

SK1102025595 Seoul THE KOREA HERALD in English 11 Feb 95 p 2

[By staff reporter Sin Yong-pae]

[FBIS Transcribed Text] Rep. Kim Tok-yong has come to the center stage of politics as the secretary-general of the ruling Democratic Liberal Party [DLP]. The spotlight shed on him has reaffirmed his close ties to President Kim Yong-sam, which date back to the 1960s.

President Kim said he had the same affection for Rep. Kim when he dismissed him as first state minister for political affairs in late 1993. Rumors at that time had it that Rep. Kim was out of President Kim's grace.

"Rep. Kim and I lived the long dark days together (in our struggle for the nation's democracy)... I thought that he'd rather take a rest for a while," President Kim told reporters a few weeks after the reshuffle of Rep. Kim and other cabinet members.

These remarks sum up President Kim's relations with Kim Tok-yong, whom he named as secretary-general of the ruling Democratic Liberal Party (DLP) Wednesday.

Their relationship dates back to the 1960s when President Kim was a first-term lawmaker of an opposition party and Secretary-General Kim was a student activist at Seoul National University [SNU].

Upon graduating from SNU with a diploma in sociology, Kim Tok-yong became a personal aide to Kim Yong-sam of the now-defunct New Democratic Party in 1971.

But Kim Tok-yong was imprisoned four times while he was supporting President Kim in his struggle against the past military-backed regimes to restore democracy.

After being named as chief secretary to then opposition party leader Kim Yong-sam in 1979, Kim Tok-yong was arrested on charges of helping women labor activists stage an antigovernment demonstration at the party headquarters.

The same year, Kim Tok-yong was once again imprisoned after he sent antigovernment leaflets to Korean and foreign journalists. At that time, President Kim was fasting in protest against dictatorship.

Former President Pak Chong-hui sent Kim Tok-yong to jail instead of President Kim, whose arrest would have posed a great threat to Pak's dictatorial government.

"This was acknowledged by President Kim," a presidential aide says.

Kim Tok-yong's unshaken loyalty continued when the nation was undergoing political upheaval following the assassination of President Pak by his intelligence chief in 1979.

In 1983, he helped President Kim organize the Council for Promotion of Democracy, a major dissident force to fight against the Chon Tu-hwan government.

In return for Kim Tok-yong's devotion, President Kim Yong-sam, who headed an opposition party, nominated him as a congressional candidate and helped him get elected to the National Assembly in 1988.

After taking office, President Kim included Kim Tok-yong in his inaugural cabinet as first state minister for political affairs.

His role as a member of the cabinet did not last long as President Kim dismissed him in a cabinet reshuffle in December 1993.

Rumors abounded over the reasons for his dismissal. One rumor had it that he angered President Kim by showing his ambitions for the presidential office.

Some political watchers on the other hand, contended that Kim Tok-yong was dismissed because he ignored President Kim's instruction that he disband groups of his supporters.

But President Kim showed his unwavering confidence in Rep. Kim when he selected him to head the ruling party's Seoul organization which controls 44 district chapters.

His appointment sparked speculation that President Kim may be promoting Rep. Kim as the ruling party's candidate for Seoul mayor in the upcoming local elections in June.

But Rep. Kim denied the rumors. He said, "I'd rather not mount a horse. Instead, I will help somebody else do so."

By putting him in important positions and dismissing him over and again, President Kim appears to be protecting Rep. Kim from his rivals in the Democratic Liberal Party.

In other words, President Kim may be helping him adjust his protege's pace in the long race to emerge as one of the next - generation political leaders.

When Rep. Kim suggested last year that new figures replace old ones in the cabinet for reform, he became a target of criticism from the conservative wing in the DLP.

President Kim chided him for creating a controversy, which led many politicians to believe that Rep. Kim had little chance of being appointed to any key party posts.

But their assumption were refuted with Rep. Kim's appointment as secretary-general, the powerful post which controls the party's coffer and organization.

Secretary-General Kim's role for President Kim was different from those of President Kim's two other close associates—Rep. Choe Hyong-u, former home minister, and So Sok-chae, government administration minister.

Rep. Choe gained President Kim's confidence by helping him mainly in his relations with the National Assembly. On the other hand, Minister So helped President Kim manage elections and his private organizations.

But Rep. Kim played a behind-the-scenes role of President Kim's personal secretary. For this reason, he is called the insider of insiders in President Kim's camp.

Rep. Kim served as President Kim's secret envoy when his party was merging with two other parties in early 1990—President No Tae-u's ruling party and one opposition party headed by Kim Chong-pil, who left the merged party, the ruling Democratic Liberal Party, Thursday to create his own party.

Rep. Kim, 54, now rows to make the Democratic Liberal Party lead the nation's political reforms.

"The Democratic Liberal Party should be reborn as the center of political reforms, which is needed if the nation is to become one of the most advanced nations in the forthcoming 21st century," Kim told reporters shortly before taking office as secretary-general yesterday.

Declaration of Opposition Merger 'Seems Imminent'

SK1402001095 Seoul THE KOREA HERALD in English 14 Feb 95 p 2

[FBIS Transcribed Text] A declaration on the proposed three-way merger of the opposition camp seems imminent as the major opposition Democratic Party (DP) is pushing to absorb two other splinter political groups before its national convention slated for next week.

An optimistic DP source said yesterday that party leader Yi Ki-taek is expected to meet Rep. Yi Chong-chan of the New Korea Party and Kim Kun-tae, leader of a civic political group, the People's Congress for Unification, early next week and that the leaders of the three sides declare a merger first and then settle the terms for the unification after the party's national convention.

The two small groups have in principle accepted the proposal, but Kim Kun-tae is sticking to a demand that his group field 17 candidates on the merged party's ticket in the next National Assembly elections. The nation has 237 parliamentary electoral districts.

"It sure is an excessive demand," commented a DP official. But the DP has not flatly rejected it. Instead it has suggested both sides continue negotiations until after the party national convention.

As for Yi Chong-chan's tiny New Korea Party, it poses less obstacles to the proposed merger. With only one National Assembly seat held by Yi, its function and role as a political party are severely restricted.

In an about-face, however, its leaders recently dropped a plan that each party member would join the DP on an individual basis after disbanding their own small parties. Instead, they have decided to push a party-to-party merger, demanding more voice for themselves. This decision also annoys the DP.

The three-way merger, if realized, would be not complete as the DP also plans to absorb another small party, the New People's Party (NPP) with 12 Assembly seats.

NPP, which has suffered a severe intraparty feud over the party's leadership between Reps. Pak Chan-chong and Kim Tong-kil, is to launch negotiations with the DP on the proposed merger after its national convention slated for early March.

NPP officials have called for a 40 percent share as a condition of the merger, which the DP regards as an "absurd demand."

Political watchers predict that the DP could possibly absorb all three other smaller groups shortly before or after the June local elections at the latest.

But another splinter party being formed by Kim Chong-pil, formerly chairman of the ruling Democratic Liberal Party (DLP), is scuttling the DP's original plan for a "grand unity of the whole opposition camp."

Kim bolted from the DLP last week to form his own party, which may be activated late March.

President Designates New Assembly Vice Speaker

SK1002014095 Seoul YONHAP in English 0041 GMT 10 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 10 (YONHAP)—President Kim Yong-sam, concurrent head of the ruling Democratic Liberal Party (DLP), on Friday designated Rep. Yi Han-tong of the DLP as a vice speaker of the National Assembly, DLP spokesman Pak Pom-chin said.

With the designation, Yi is expected to be formally chosen to be vice speaker at a special assembly sitting expected to be held either later this month or early March.

Yi, if actually selected, would fill the post vacated by Yi Chun-ku who resigned the assembly job following his recent nomination as DLP chairman.

Minister Reports 7 Lawmakers Under Investigation

SK1302120295 Seoul YONHAP in English 1045 GMT
13 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 13 (YONHAP)—Justice Minister An U-man said Monday [13 February] seven National Assembly members have been under investigation on suspicion of violating election laws.

In a report at the assembly Legislation and Judiciary Committee, An said that of the seven, four are being formally investigated and three others are under preliminary probe.

By partisan affiliation, they include four ruling Democratic Liberal Party [DLP] lawmakers, two Democratic Party solons and one new Korea Party legislator.

Asked if Rep. Yi Ho-chong of the DLP, who has recently sought to bolt from the DLP, were among those under investigation, the minister said he is not included.

Labor Minister Yi Speaks on Industrial Policy

SK1102015195 Seoul THE KOREA TIMES in English
11 Feb 95 p 3

[By staff reporter Sin Hak-nim]

[FBIS Transcribed Text] Labor Minister Yi Hyong-ku, admitting that the government's industrial policy has been employer-oriented so far, said yesterday that the ministry will turn its eyes to promoting workers' welfare.

Speaking to a workshop organized by the Korean Employers' Federation [KEF] on this year's labor policy at the Lotte Hotel, Yi said, "The government's policy for 12 million workers has been insufficient so far because its industrial policy was based on a producer-oriented strategy.

"But from now on, the government will place priority on investing in cultivating a labor force and protecting workers," Minister Yi told hundreds of business executives, calling upon them to put "as much investment in employees as in facilities."

"The success of the much-touted globalization of the nation as well as industrial peace depends upon the shoulders of workers in the long run," he said.

To move in this direction, the government plans to undertake various welfare programs for workers and their children, he said, explaining that scholarships will be given to 3,000 students from low-income workers' families and 7 billion won will be raised for the scholarship fund this year.

The government will also make it easier for 1,047 billion won (1.3 billion dollars) in 549 funds raised by business firms to be used for welfare projects.

Minister Yi said that the government will take steps soon to provide legal protection for "foreign technical trainees," virtually recognizing their status as worker. Some 28,000 trainees will be covered by industrial accidents and medical insurances as well as by the minimum wage system, he said.

Touching on the prospects for labor-management relations this year, Yi said that the government will get tough with any illegal disputes. "Both workers and employers who are involved in illegal disputes will be subject to stern punishment without exception," he said.

He went on, "Now is the time for both workers and employers to discard old-fashioned practices and to formulate a cooperative and constructive relationship."

As for the controversial wage guideline sought by the Korean Employers' Federation, Yi said that the government still thinks it necessary for the Korean Federation of Trade Unions [KFTU] and KEF to reach a compromise over the guideline.

"There can be pros and cons about the wage guideline between the federations of labor and management organizations but I believe the wage guidelines benefited rather than harmed over the past two years. The government will do its best to help both parties strike a wage guideline this year, too," he said.

His remarks are expected to draw fire from the KFTU and other progressive labor organizations. The KFTU had earlier declared that it would not take part in any talks on a wage guideline but recently had an informal meeting with KEF officials.

He expressed hope that wage increases in overall manufacturing will remain within the productivity growth rate so that domestic industries may not lose international competitiveness because of excessive wage hikes this year.

Yi made it clear that the government will take punitive steps against those monopolistic businesses which raise wages excessively.

Hanjin Takes Over POSCO's Shipping Company

SK1202014595 Seoul THE KOREA HERALD in
English 12 Feb 95 p 8

[FBIS Transcribed Text] Hanjin Heavy Industries Co., a shipbuilding unit of Hanjin Business Group, became the new owner of Koyang Shipping Co. of POSCO Group by winning an opening bidding yesterday.

Hanjin Heavy wrote in a bidding price of 71.1 billion won (\$90 million) to take a 90-percent equity of Koyang Shipping, edging out Hyundai Heavy Industries Co. and three other bidders, said an official of Pohang Iron and Steel Co., or POSCO. Koyang has been the sea-transporting subsidiary of the world's second largest steel maker.

Also-rans in the five-party bidding were Uri Motor Sales Co. of Daewoo Business Group and two oceanliners, Cho Yang Shipping Co. and Korea Line Corp.

The bidding for two other POSCO affiliates, POSCO-CHEM Co. and Chungu Coal Chemical Co., however, found no winners as all prices tendered remained far below the seller's unpublicized minimum quotation, the official said.

Three companies made bids for the two chemical makers put on the block as one. The failed bidders were Aegyong Chemical Co., Tongyang Nylon Co. and Kolon Corp. POSCO will put a new notice of tender next week.

The takeover of Koyang Shipping was a particularly serious concern for both the Hanjin and Hyundai business groups, which already have the nation's largest and second largest shipping units, in that order, and have vied to take the top industrial position, industrial watchers here said.

"Hyundai badly wanted some additional capacity to overtake Hanjin in the oceanliner business but will likely have to bide its time," said an industry source requesting anonymity. "For Hanjin, the successful buyout of Koyang will serve a double purpose—solidifying its top rank in marine transportation and providing more work to its shipbuilding unit when orders from outside dwindle."

Founded in 1990 at an initial capitalization of 15 billion won, Koyang Shipping has now 10 coal-carrying vessels with capacity of 150,000 to 200,000 tons each. The company earned pretax net profits of 1.6 billion won against yearly sales of 146.5 billion won last year.

POSCO-CHEM and Chungu Chemical, specializing in manufacture of petrochemical and coal chemical products, also netted 2.3 billion won and 16.1 billion, from total sales of 147.4 billion won and 57.2 billion won, respectively, last year.

The open bidding is part of POSCO's corporate strategy to stay leaner but stronger in the three key areas—steel, information- telecommunications and construction-engineering, the POSCO official said.

POSCO's ongoing restructuring, including the sale of the three companies, has reduced the total number of the steel group's subsidiaries from 43 to 26. The group plans to push ahead with downsizing until its affiliate companies are reduced to 17, he said.

Ministry: Gross Foreign Debt Reaches Record High

SK1302100095 Seoul YONHAP in English 0752 GMT 13 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 13 (YONHAP)—South Korea's gross foreign debt has hit an all-time

record high of 50 billion U.S. dollars, with the net foreign debt surpassing the 10- billion-dollar level for the first time in five years.

The amount borrowed by the public sector, financial institutions and private industries, excluding corporate borrowings for overseas investment, totaled 54.2 billion dollars at the end of November, according to the figures released by the Finance and Economy Ministry and the Bank of Korea Monday [13 February].

The public sector, or government agencies, accounted for 3.61 billion dollars, financial institutions for 31.01 billion dollars and private industries for 19.56 billion dollars.

The aggregate was up 11.8 percent (5.7 billion dollars) from June last year and 23.4 percent (10.3 billion dollars) from the end of 1993, and formed a striking contrast to the previous record high of 44.5 billion dollars in 1986.

The net debt, or the gross foreign debt minus the nation's overseas assets, came to 10.27 billion dollars at the end of November, up 9.5 percent (900 million dollars) from June, 30.4 percent (2.4 billion dollars) from the end of 1993 and 114.6 percent (5.5 billion dollars) from the end of 1990.

The country's net foreign debt, which had fallen from 32.9 billion dollars in 1984 to as low as 4 billion dollars in 1990, was held below 10 billion dollars until end-1993. It rose beyond the 10-billion-dollar mark last year for the first time in five years.

The net debt expressed as a percentage of the gross national product stood at 2.7 percent, the highest since 1990, in 1994.

The country's foreign debts were determined on the basis of the IMF (International Monetary Fund) formula, but applying the formula jointly used by the bank for international settlements and the organization for economic cooperation and development, which excludes the public sector's foreign borrowings from aggregate borrowings, would increase the gross foreign debt to close to 60 billion dollars.

International interest rates are on the increase, thanks to increasing corporate investments due to the expansion of the world economy, developing countries' rising need for foreign funds for infrastructure investment and the surging fund demands of European countries and Japan in their efforts to recover from recent flood and earthquake damages, which are compounding to increase the country's foreign debt servicing burden.

Government Makes Efforts To Fight Inflation

SK1202040395 Seoul THE KOREA TIMES in English 12 Feb 95 p 8

[By staff reporter Cho Chae-hyon]

[FBIS Transcribed Text] The Kim Yong-sam administration faces an uphill battle in its fight against inflation as prices of public utilities and services are showing signs of continued upward movement.

The rise in prices of public services will certainly trigger a chain of increases in other private services and industrial items. Because of this, the government has made desperate efforts to curb prices in public services and utilities including transportation, water and electric power.

The Ministry of Finance and Economy [MFE] succeeded in putting the lid on inflation in January by mobilizing all its administrative power. Consumer prices last month rose 0.6 percent over December, the lowest increase recorded in January since 1990.

But the government is inviting growing resentment from business concerns. Private firms are not the only ones plagued by the government's administrative guidance blocking them from raising prices. Government-invested corporations are also complaining about the way the government controls prices.

Both government and private economists say this kind of use of administrative power has limited ability to stabilize consumer prices and is a far cry from being a fundamental measure.

The guidance has resulted in bigger amounts of red ink in government-invested public institutions providing transportation, water and electric power.

In addition, the MFE's tight grip has caused discordance with other ministries moving ahead with plans to increase public utilities prices.

The Environment Ministry, Construction-Transportation Ministry and the Ministry of Health and Welfare have indicated that they can no longer cooperate with what they claim to be an "unrealistic" fight against inflation.

The Environment Ministry recently baffled the MFE by announcing its intention to increase prices on faucet water used by households by 24 percent, a policy which had the tacit support of other ministries. Other ministries are under mounting pressure by public enterprises to allow them to raise prices.

Hong Sun-chik, a research fellow at the Hyundai Research Institute, said, "The government's policy of not allowing increases in public services prices is only a makeshift measure and it will not help stabilize prices in the long-run. Prices of public services and utilities have always jumped sharply whenever the government lid, which cannot be kept down forever, is loosened or taken off."

Stressing the government's pressure is having many side effects, Hong said the government must permit the increase in public services prices even if it fans inflation on a short-term basis.

The MFE has committed itself to curbing inflation, as measured by consumer prices, at less than 5 percent this year and it has been very keen to contain price increases of public utilities. It is seeking to postpone increases in public service charges to the later part of the year and curb them at single digits, but this is unlikely to be realized.

The MFE's tight grip on prices of public services is dealing a severe blow to government-invested public corporations, which are run with the support of state coffers. The increase in the red ink will necessitate greater government financial support, which is only possible by levying more taxes from citizens.

Pak U-kyu, a research fellow at the Korea Development Institute, pointed out that the armtwisting and blocking of increases in public services prices will result in aggravation of public firms' management and a rise in citizens' tax burdens.

"The government needs to allow public firms to increase their prices so that they can beat their current stagnancy, otherwise ordinary citizens will have to suffer heavier tax burdens," Pak said.

Paper Assesses Plans for Military Downsizing

SK1402075995 Seoul CHOSON ILBO in Korean 14 Feb 94 p 2

[By reporter Yim Tong-myong and Yom Yong-won]

[FBIS Translated Text] The draft on reorganizing the Ministry of National Defense, the Joint Chiefs of Staff, the Army, Navy, and Air Force announced by the Ministry of National Defense on 13 February is assessed as a positive measure [kungjongjok chochi] by the Army to downsize unnecessary military staff. However, people assess the lack of a more daring downsizing and personnel reduction in military organizations, which have been regarded as "a sacred area," as being far from "effective management." Even considering the difficulties that are to be expected to surface with the reduction in the number of military officers, experts say that, a downsizing of 9 to 20 percent is insufficient. Apparently, even though military staff can be cut by 30 to 40 percent, the ministry shrank back from that figure for fear of strong opposition.

It is worth noting that the military reorganization plan envisions a reduction of Army staff and an increase in Naval and Air Force staff and a strengthening of the role of the Joint Chiefs of Staff in a situation in which we have regained peacetime operational control. While the Army, Navy, and Air Force headquarters each had a separate assistant chief of staff for information and assistant chief of staff for operations in the past, they have been merged into one office of information and operations, completely under the command of the Joint Chiefs of Staff. The military has been criticized for maintaining an over-sized organization, for example,

maintaining both an assistant chief of staff for information and operations in each of the three services of the armed forces even after the chairman of the Joint Chiefs of Staff regained the right to issue military orders in the field of information and operations, following the military reorganization of 18 August 1991.

In addition, it is expected that personnel reduction will be executed more drastically in the Army than in the Navy or Air Force and will redress the imbalance among the Army, Navy, and Air Force, which has been pointed out as a chronic problem of the ROK Army.

According to the reorganization plan, the following positions will be removed: General staff officer of the Joint Chiefs of Staff, the special inspection group, and the information systems bureau of the Defense Ministry. A troop information and education office will be created in the Defense Ministry and in each of the headquarters of the Army, Navy, and Air Force. All of this is of interest to the people. There are currently two deputy chairmen of the Joint Chiefs of Staff (a general and a lieutenant general), three general staff officers (lieutenant generals), and four assistant chiefs of staff (major generals) in the Joint Chiefs of Staff. Following the reorganization, however, the Joint Chiefs of Staff will only consist of one deputy chairman (general), no general staff officers, and six assistant chiefs of staff. An official of the Ministry of National Defense said: "The deputy chairman of the Joint Chiefs of Staff will be empowered with the strengthened function of assisting the chairman of the Joint Chiefs of Staff." He then added: "Since four of the six assistant chiefs of staff will be lieutenant generals, there will be no change in the number of lieutenant generals and the higher-ranking military officers in the Joint Chiefs of Staff."

Regarding this, however, the Navy and the Air Force are concerned about the possibility of a downgrading of their position in the event that both the chairman and deputy chairman of the Joint Chiefs of Staff are named from the Army. After 26 years since its establishment in 1969, the Special Inspection Group that has been responsible for various audit and inspection activities concerning military projects—such as anti-North Korean espionage operations and the Yulgok project (military reinforcement project)—has been done away with in this military reorganization.

The plan to create an information systems bureau shows the Army's will to cope with the rapidly increasing electronic information-communication demands. The establishment of the troop information and education office is regarded as a measure to strengthen the Army's public relations activities.

Most military officials recognize that the planned reorganization is inevitable in order for the military to comply with government policy and to manage itself effectively. It is expected to generate waves, however, because a total 600 officers will be removed. Because of

the expected opposition from these people, the reorganization of the Ministry of National Defense and the three services of the armed forces will be conducted in stages, beginning in April when a regular reshuffle is supposed to be conducted. Military officers who lose their jobs will be allowed to work for military educational organizations or combat units.

In May, the Ministry of National Defense will start to map out its second-stage reorganization plan for organizations under the direct control of the ministry and the three services of the armed forces, as well as for the Army headquarters, so the military is expected to be caught up in a reorganization whirl for the time being. People will closely watch whether military authorities will meet the people's expectations for the military, by overcoming the opposition of military officers who may lose their positions.

Government, DLP To Release Funds for Drought *SK1302105795 Seoul YONHAP in English 0926 GMT 13 Feb 95*

[FBIS Transcribed Text] Seoul, Feb. 13 (YONHAP)—The government and the ruling Democratic Liberal Party (DLP) decided Monday [13 February] to release 49.5 billion won (62.42 million U.S. dollars) of emergency outlay from the state and provincial coffers to develop new water sources in the drought-stricken southern part of the country.

A joint government-party meeting also decided to release at an early date 227 billion won from the Agriculture, Forestry and Fisheries Ministry's budget earmarked for irrigation-related projects.

They decided to introduce a new water rate system under which those who use beyond the allotted amount of water must pay progressive rates. The system will be conducted as early as next month, according to government officials.

New standard sizes of water-saving tools will be fixed by mid-May for them to be specified in amended related laws and regulations that are expected to be put into effect on July 1.

*** 1995 Prospects for New S&T Developments Viewed**

*** R&D at Research Institutes**

952C0059A Seoul HANGUK KYONGJE SINMUN in Korean 4 Jan 95 p 22

[By reporters Yi Ki-han and O Kwang-chin: "Government-Subsidized Research Institutes Out To Develop Toxic Waste Water Processing Technology Following 'Environmental Declaration' and Other Technologies"]

[FBIS Translated Text]

The Genetic Engineering Research Institute is pushing on research fronts after designating 1995 as a year for leaping developments in bioengineering; the Korea Resources Research Institute is stepping up research for technology to prevent contamination of subterranean water and make it potable.

R&D is under way at the Korea Institute of Science and Technology (KIST) on manufacture/utilization technologies for an indissoluble waste-water processing agent and semiconductors for blue-color light emitting diode (LED) and laser diode (LD).

The indissoluble agent for waste-water processing sought by the KIST is a next-generation technology currently drawing public attention as environmental problems come to the fore.

This technology is to remove chemical substances and heavy metals contained in waste water from specific industries, producing relatively clean water. Under study is a method to blend the characteristics of biochemical waste-water processing into the activated-sludge method currently in use for the secondary processing of industrial waste water. The focus is development of an additive with coagulant, biological stabilizer functions with which to resolve, absorb and remove chemical substances.

The KIST is also developing blue-color LED. This technology, when developed, will make possible the use of technicolor in indicators and printing and improve the memory density of optical discs and other information processing devices.

The American 3M company succeeded in blue-color LED development in 1991; after that, a joint research by (Fluid) and Brown University also succeeded in it. But their products have problems in that they do not oscillate at the normal temperature and the oscillation time is extremely short. Therefore, many research teams in advanced countries such as the United States and Japan are absorbed in research for a practicable product.

The KIST plans to complete research on structural characteristics of LED and start its structural development within this year.

Meanwhile, R&D targets of the Genetic Engineering Research Institute—which designated this year as a year for leaping progress in bioengineering—include anti-virus vaccines, transgenic animals and plants, and the production/separation/manufacturing technology for recombinant protein.

These technologies are so epochal that they are called "technology challenging Divine Providence" or "technology changing human life."

Especially, the Genetic Engineering Research Institute will focus on antiviral vaccines and new drugs this year. It believes that there is a great possibility that new antiviral drugs capable of reducing side effects and

toxicity of existing chemotherapy drugs can be found in substances extracted and compounded from natural materials of the traditional medicine in our country. The institute is expected to theoretically delve into the possibility of preventing AIDS—which is called the plague of the 21st century—and viral hepatitis, as well as developing drugs for treatment of such incurable diseases.

The Atomic Energy Research Institute, along with the Nuclear Fusion Research Center, will build "Tokamak K-2," a next-generation nuclear fusion reactor. It signals the official start of an advanced-level nuclear fusion engineering program and is therefore noteworthy.

The nuclear fusion reactor, generating electric energy by utilizing deuterium existing in sea water in very small quantities, is an inexhaustible source of clean energy.

Energy thus acquired from deuterium contained in one ton of sea water is equivalent to that gained by burning 270 tons of coal. Nuclear fusion research in the advanced nations is moving on from the phase of scientific substantiation to a practical, engineering stage. So, this year will see Korea getting on with a full-scale program to catch up with them in this field.

The Korea Electricity Research Institute plans to focus on superconductivity, power distribution automation and fuel cell technologies.

Superconductors will have a virtually revolutionary impact on every field using electrical energy. The electric car will have its battery problem resolved and be commercialized. And the superconducting semiconductor, free of electrical resistance, will enable us to overcome the limits of existing semiconductors which are unfit for very-high-speed functions because of the heat problem. Also, superconductors will open the door to development of a superconducting sensor capable of sensing minute magnetic variations in the human body and even of reading a man's mind.

The System Engineering Research Institute will develop an electronic dummy system and a multimedia system using parallel processing.

The electronic dummy system would recognize visitors and telephone callers, provide simultaneous translations of Japanese, Russian, and other languages, and offer information on bearings. It is an all-inclusive system including a visitor-recognition system, a voice-dial system and a foreign-language translation system. The institute plans to build a test model this year and manufacture a prototype for commercialization next year. If the project should prove successful, it will mark an epoch-making development in artificial intelligence and, at the same time, accelerate developments of voice-dial and color-information analysis technologies.

A multimedia system using parallel processing is a technology enabling us to process diverse, massive information of the high-speed communication age with a

personal computer. Development of this technology is expected to create an environment of distributed processing and contribute to multimedia technology development in the country.

The Institute of Machinery will develop the technology of a magnetic levitation-type linear motor vehicle as a clean, pollution-free mass transit system. It is planned that the new Seoul-Pusan express train will be put in service for the Seoul-Taejon section in 1999, and that, as for the linear motor vehicle, a train of four vehicles, with capacities of 160 passengers each, will be built and put to practical use by 1998. To that end, the institute will build a 1 km-long test track in the Taedok Science Town as part of the test and evaluation system on vehicles and components.

The Korea Resources Research Institute will develop technology to prevent contamination of subterranean water and make it potable. It has decided to conduct the first-phase contamination survey for this year in the Taegu region, known to be highly polluted, and to create a comprehensive subterranean water control system and a subterranean water environmental change forecasting system. This technology to preserve underground resources and facilitate their effective use is science which is as important as any high technology.

Meanwhile, the Research Institute of Chemical Technology has agreed with a U.S. institute to jointly develop technology to remove ink from old papers, and with a Russian partner to cooperate for manufacturing technology for raw material for fluororesin, and with a Chinese facility to work for medical-purpose film, photographic emulsion, and coat-drying technologies in joint development.

The Energy Technology Research Institute has decided to focus on development of technology to produce alcohol by adding hydrogen to carbon dioxide and to resolve toxic organic wastes such as waste oil, old tires, and benzene.

*** Industry, Academia Research Complexes**

952C0059B Seoul HANGUK KYONGJE SINMUN in Korean 4 Jan 95 p 23

[By reporters Yi Ki-han and O Kwang-chin: "'Spring' of Industry-University Research Complexes ... Out for High-Tech Competitiveness"]

[FBIS Translated Text]

University Research Institutes: Pohang Institute of Technology is putting a radial ray accelerator in full operations. R&D will accelerate for commercialization of PCS using CDMA.

Science and engineering colleges are expected to push on basic research and new technology development fronts with all their vigor in 1995. Seoul National University [SNU] has 11 engineering-related research institutes and

each of them has plans to develop technologies to lay foundations for domestic industries, with the focus on priority industries.

Of these institutes, the Automation System Joint Research Institute will put emphasis on FMS (flexible manufacturing system) software and operating technology suitable to Korea's medium and small enterprises. It will also provide support for industries through basic technology research concerning CNC (computer numerical control) controller, which is the brain of machine tools with a decisive impact on competitiveness in the machine processing field, a key field of manufacturing industries.

The Semiconductor Joint Research Institute will embark on ferroelectrics research to improve the competitiveness of the nation's memory industry. At the same time, it plans to step up research on metal vapor technology, with the focus on copper.

As for Yonsei University, its research programs in the information and communications field are highly promising.

Yonsei's Radio Communication Joint Research Institute has decided to challenge new research tasks in the electromagnetic wave and mobile communications areas. The axis of this institute is a consortium of industries, universities and other research institutes, comprised of more than 50 companies—including major foreign corporations such as America's AT&T and Motorola as well as domestic firms—and government-subsidized research institutes. At the same time, it plans to send domestic firms' engineers to foreign corporations for training and bilateral cooperation.

The Yonsei research center for biological industrial raw material, selected as a superior research center by the Korea Science and Engineering Foundation last year, has decided to accelerate R&D to develop foundation technologies for the nation's biological industry including biopolymer technology utilizing special environmental microorganisms, and to produce a heat-resistant enzyme and a new-function thrombus-dissolving enzyme.

Korea University is striving to improve S&T competitiveness, and its four research institutes, including the Production Technology Institute, and laboratories of each department of the university, are playing central roles in this endeavor. The Information & Communications Technology Joint Research Institute has decided to embark on R&D of integrated technologies required for a superhighway of information and communications. At the same time, this institute will strive for commercialization of the personal communication system (PCS) utilizing the recently-developed CDMA (code dividing multiaccess) technology.

The robotic intelligence laboratory of the university's industrial engineering department, which succeeded in the world's first in-the-city road test of an unmanned

motor vehicle last year, will work to augment this technology and, at the same time, concentrate its resources on R&D for a closer-to-humans robot with voice recognition functions, and for a device to prevent motorists from falling asleep while driving.

The Korea Advanced Institute of Science and Technology (KAIST), relying on its more than 40 research centers including the optoelectronics institute, are challenging new R&D tasks. Among them, the Research Center for Specialized Electronic Optics is working to secure foundation technologies in the defense science area such as laser- and infrared-sensitive devices.

Songgyungwan University will start new R&D programs in the fields of life- resources science, mechanical technology using industrial electronics, pharmaceuticals, and information and communications, using its research institutes in these fields. In the case of the Vacuum Industrial Technology Research Institute, it will put in motion the projected development of ultra-high-vacuum technology to secure basic technologies for the domestic vacuum industry and, at the same time, get on with R&D on semiconductor-surface etching and magnetic thin-film head element.

Pohang Institute of Technology is expected to push forward vigorously on research fronts utilizing a radial ray accelerator which will be put into full operation this year by the Pohang Accelerator Research Institute.

As the first project with the accelerator, the institute has decided to develop, jointly with GoldStar Electronics, exposure technology on X-ray, an ultrafine radial ray, which is a core technology for GIGA-DRAM-class memory chips.

Industry-university research complex projects, under way to provide systematic support for university research programs so as to improve competitiveness of the nation's industries, will likely move into the final phase this year.

SNU's engineering-related institutes had their research wards built mostly by donations from businesses. Likewise, in the current projects being pushed mainly by Korea and Yonsei universities and the KAIST, research wards are being built by business donations. Business firms involved will have their researchers in the respective complexes.

The creation of research complexes—in which institutes specializing in different fields, including teams from medium and small enterprises, get together for joint R&D's—has brought on a boom. SNU is pressing its project for a complex of this type on the hilly land in front of the main gate of its Kwanaksan campus.

At Korea University, a technocomplex with a total floor space of 15,000 *pyong* is being created on its science and engineering school campus. The construction has already started and, according to the plan, it will be further

accelerated this year so that business research teams can move in about February next year.

Among them are the research teams of GoldStar Co., GoldStar Electronics, Samsung Electronics, Samsung Corning, Samsung Display Devices, Pohang Iron & Steel, Hanguk Communications, Hanguk Mobile Communications, Narae Mobile Communications, and Data-comm.

Yonsei University will also be busy this year implementing its plan to create a 12,000-*pyong*-class Yonsei Engineering Research Center by next year. Daewoo Motor, Samsung Electronics, and Pulmuwon will be among those involved. To encourage medium and small enterprises to join the project, university officials are planning to have each department of the engineering school select candidate enterprises before forming a consortium to establish a cooperation system.

The government will also positively support the creation of such complexes. The Trade, Industry, and Energy Ministry will provide financial support to Korea and Yonsei universities for open-type laboratories the facilities of which medium and small enterprises can use freely.

This year, we will also see the training program for top-notch technological manpower stepped up vigorously, with universities taking the lead and the business community closely cooperating with them.

Asia University, along with the Daewoo High Technology Research Institute, has had its master's and doctor's courses in system engineering in place since 1993. Now, Pusan University, in cooperation with Gold-Star Co. and with approval from the Education Ministry, is going to open an R&D graduate school this year to train middle-class officials of the company as master's-level technological talents.

* Private Research Institutes

952C0059C Seoul HANGUK KYONGJE SINMUN 4
Jan 95 p 23

[By reporters Yi Ki-han and O Kwang-chin: "Private Research Institutes Challenge High-Temperature Superconducting Filter, Others; Will Put Emphasis on Human-Sense Biotip, Biosensor"]

[FBIS Translated Text] Research institutes in the private sector also see 1995 as a year for epoch-making R&D's, determined to mark the 21st century with leaping developments in technology.

What they are out to develop are mostly industrial technologies that can be tied into various fields right away. The Samsung General Institute of Technology is challenging a high-temperature superconducting filter, which is more efficient than general metal filters currently in use in communications. It makes it possible to greatly reduce the required filter bank capacity. To that

end, it is vigorously pushing independent researches on high-frequency filter design technology, low-temperature-measuring technology, and low-temperature-package technology.

This institute is also working on Josephson junction technology, which is most important in the application of high-temperature superconducting thin film. This is an effort to further expand Josephson junction manufacturing technology utilizing an etching method developed last year and thus to expand applied technologies.

The Daewoo High-Technology Institute plans to develop a combustion analyzer enabling engine control, an active control system, and a through-coal-gasification combined power-generating system.

The analyzer is a device integrating a combustion-analysis-purpose high-speed data gathering system—which analyzes various gases generated in the engine room—with the fuel quantity, ignition, and control devices. The Daewoo institute plans to come up with a finished product this year. When developed, the combustion analyzer will be connected to the 486PC [programmable controller], making possible all analysis and control functions.

The active control system is a technology to monitor in-the-car noises by a sensor and reduce it to epoch-making degrees by generating sounds with 180-degree countereffects. Currently, the United States and Japan are expediting their efforts to commercialize a similar technology. Daewoo, too, is planning to start the testing to actually equip the car with this system this year.

The through-coal-gasification combined power generating system makes possible generation of electrical energy by running gas turbine and steam turbine through coal gasification under a high temperature and a high pressure. It epochally reduces the emission of exhaust gas while more than doubling the generation efficiency compared with the existing coal method.

The GoldStar Central Research Institute is engaged in researches to develop original GoldStar technologies and foundation technologies needed for new GoldStar projects.

This institute is endeavoring to develop high-speed electronic elements, biotips challenging human senses, and a variety of sensors. It is also planning for technology developments in the fields of optoelectronic memory media and artificial intelligence that makes interchange possible between humans and machinery.

The Research Institute of Industrial Science and Technology is focusing on development of technologies for electrically collecting heavy-metal dust and for recycling carbon monoxide gas. To that end, the institute is currently studying characteristic dust and slug reactions to electricity and developing technology of dust fusing and reduction in the electric furnace utilizing plasma.

Besides, the research institute of GoldStar Industrial Systems, striving to achieve its goal of rising to the world's top level in the area of industrial-purpose electronics and electricals, is concentrating on developing technology of PLC process control system. The (Madison) Research Institute plans to improve the efficiency of ultrasonic diagnostic equipment.

The research institute of Jeil Woolen Textile, which developed 130-su fabrics last year, is endeavoring to develop differentiated, world-renowned, quality products. The technology research institute of the Korea Electric Power Corporation is striving to develop technology for more efficient power generation.

The Kolon Group's central research institute, designating 1995 as a year to "establish a culture of research-in-action," is pressing ahead with full-scale R&D programs.

At the same time, this institute will make efforts for technological fusion and consolidation of technological substructures.

Burma

NCGUB Views National Reconciliation Tasks

*BK1402085895 Oslo Democratic Voice of Burma
in Burmese 1430 GMT 13 Feb 95*

[FBIS Translated Text] Dear Listener: When the Democratic Voice of Burma asked Dr. Sein Win, prime minister of the National Coalition Government of the Union of Burma [NCGUB], about the NCGUB's view on national reconciliation in Burma, Prime Minister Dr. Sein Win said:

[Begin Win recording] We think that the ethnic forces, the democratic forces, and even the United Nations want to see national reconciliation in Burma. That is why, the KNU [Karen National Union] didn't refuse to meet with the SLORC [State Law and Order Restoration Council]. Daw Aung San Suu Kyi has already met twice with the SLORC. The UN also has met twice with the SLORC. But the SLORC attacks the KNU, and wants to hold unfair and unjust meetings with Daw Aung San Suu Kyi. There also was no outcome from the meeting between the UN and the SLORC because the SLORC did not play a constructive role. The SLORC is only thinking about its own interests while ignoring the interests of the country. Therefore, disunity emerged and the national reconciliation process failed to work. We think the SLORC is unable to resolve the crisis in the country. The 13 [armed] groups have reached a cease-fire agreement with the SLORC not because they have found a political solution. The cease-fire agreement has been reached purely on a military grounds. Therefore, it is an unstable situation and it is very dangerous for the country. Another thing is that the SLORC favors the Buddhists in Karen State and is using religion as a means to create religious conflict. I would like to say these are dangerous things for the country. Last but not least, we are very saddened by the reports that the SLORC is staging offensives in Karen State during the Union Day period, which emphasizes national solidarity, and they are preparing to stage offensives in Mon State and Shan State. I would like to tell the SLORC to find solution by political means as General Aung San did by signing the Panglong Treaty. [end recording]

Refugee Returns From Bangladesh Reported

BK1302134195 Rangoon THE NEW LIGHT OF MYANMAR in English 7 Feb 95 p 5

[FBIS Transcribed Text] A total of 1,674 persons of 324 households arrived back at the respective camps in Myanmar [Burma] from Bangladesh on 1 and 2 February under the agreement reached between Myanmar and Bangladesh.

Altogether 154,409 persons of 31,669 households have arrived back from Bangladesh since 22 September 1992.

Brunei, Malaysia & Singapore

Malaysia

*** Pilots To Receive MiG-29 Training in Moscow**

*95SE0090C Kuala Lumpur UTUSAN MALAYSIA
in Malay 17 Dec 94 p 16*

[FBIS Translated Text] Kuching, 16 Dec (BERNAMA)—The first group of pilots, consisting of six flight instructors from the Royal Malaysian Air Force (TUDM), will be sent to Russia next month for training in flying MiG-29 jet fighters made in that country.

Deputy Air Force Commander Major General Datuk Ahmad Merican S.T. Merican said that all the pilots will undergo three months' training at the center in Moscow where the plane is built so that they will have the skills to fly the modern, high-technology fighter plane.

"When they have finished their training, they are expected to bring back the first group of MiG-29's to Malaysia in April, as agreed," he said after a TUDM farewell parade at Kuching on the occasion of his retirement.

He said that since September, 72 technicians have also been undergoing training in India to expand their knowledge of the technology and maintenance of the aircraft.

India is among the countries that have the most MiG-29's, with about 60 that are still operational.

Last June, Malaysia signed an agreement with Russia for the purchase of 18 MiG-29 jets at a cost of 1,400 million ringgit (\$550 million).

Reportage on Visit by South Africa's De Klerk

Attends Dinner Hosted by Anwar

*BK1402095995 Kuala Lumpur Voice of Malaysia
in English 0600 GMT 14 Feb 95*

[FBIS Transcribed Text] Malaysia welcomes the interest shown by the South African Government on the country's development experiences. Deputy Prime Minister Datuk Sri Anwar Ibrahim said Malaysia is happy to share whatever relevant experiences that South Africa may find useful. This is to help South Africa's efforts to bring about greater economic development and the social upliftment for the majority of its people.

He was speaking at a dinner in honor of visiting South African Deputy President F.W. de Klerk in Kuala Lumpur last night. Datuk Sri Anwar said Malaysia had offered to provide training in relevant areas of development planning, financial administration, and in diplomacy.

In his reply, de Klerk says that his visit will bridge the gap between the two countries and link the people of both nations on the road and challenges ahead, as the two have many things in common. He said that Malaysia has something to offer to South Africa. He notes today's

visit is the first step in enlightening and strengthening the bond of friendship for the benefit of the people of the two countries.

Stresses Indian Ocean Rim Trade

BK1402095795 Kuala Lumpur Voice of Malaysia in English 0800 GMT 14 Feb 95

[FBIS Transcribed Text] South African Deputy President F. W. de Klerk dismissed fears that his country's proposal to boost economic ties among countries lining the Indian Ocean would result in a trade bloc. De Klerk said Indian Ocean rim countries had untapped potential for economic cooperation, but stressed that any grouping should create a trade bloc or negatively affect other groupings like APEC.

The South African leader, on a three-day visit to Malaysia, brought up the idea of Indian Ocean cooperation during separate meetings with the Malaysian prime minister and his deputy in the federal capital. De Klerk said the countries bordering the Indian Ocean, which includes almost the third of the world's population, had vast potential for development.

On South Africa, de Klerk said that the success of the year-old multiparty government will depend on the rate of development in improving the living condition of its population. He added the government of national unity had adopted a comprehensive program known as the reconstruction and development program, to meet the pressing needs of the people. It is the centerpiece of the policy. It envisages a broad interlocking program that will address the total spectrum of social economic challenges.

Radio on Economic Relations With South Africa

BK1402112795 Kuala Lumpur Voice of Malaysia in English 0810 GMT 14 Feb 95

[Station commentary]

[FBIS Transcribed Text] Having played a vital role in helping to dismantle apartheid, Malaysia is now turning its attention to the economic reconstruction of South Africa.

Since trade sanctions were lifted in 1993 and the first all-race elections, Malaysian investment had been rising steadily in the country. Major areas of investment include property development, hotels, resorts, as well as infrastructural activities. This is expected to gain momentum with the visit of South African Deputy President, Mr. F. W. de Klerk, to Malaysia.

Mr. De Klerk struck the right note when he declared that South countries have to join hands to enhance their economic competitiveness, especially in the ever-challenging global arena. It is encouraging to note that Malaysian investors are in the process of pouring billions of ringgit into South Africa, the most economically advanced state in the continent. But the investment

climate in South Africa must be right to attract investment. Report of problems between De Klerk and President Nelson Mandela does not augur well for a smooth progress in a the country's economic development.

Furthermore, sporadic clashes between rival factions only serve to turn back the efforts by the government to bring peace to the entire country. Still, both Mandela and De Klerk should be commended for having worked together well since the elections in bringing South Africa to take its rightful place in the international community. But it cannot do it alone. Given the mushrooming of regional groupings, De Klerk has suggested a grouping of nations encompassing the Indian Ocean. Malaysia supports his proposal as long as the grouping is all for open regionalism and is outward-looking. In no way should it be a trade bloc, something which must be resisted for the benefit of liberalized global trade. Such stance will ensure free market, especially for emerging and developing market such as South Africa, and ultimately, what is important is a betterment of South African society for economic prosperity will ensure employment opportunity—something which is badly needed mainly for the majority black population of South Africa. [sentence as heard]

After having been separate under apartheid for so long, most of them are unskilled and lack the necessary expertise to acquire skilled jobs. It is for this reason that investments going into South Africa benefit the population at large. It will not be right if only a small section of the populate reaps benefit of the economic resurgence in the African state. For Malaysia, it is content with the way South Africa has emerged from rules of apartheid to once again taking active part in international affairs. Nevertheless, South Africa should be mindful that democracy alone does not ensure prosperity. One only needs to look at the other African which slipped into economic and political chaos upon receiving an independence. [sentence as heard] This is a golden opportunity for South Africa to prove to the rest of the continent that it can put to rest political instability and get on with the job of development. It can also be a beacon of hope to the others in Africa of the immense benefit that can be derived, if only the people compromise and work together.

The dismantling of apartheid is indeed a great achievement on the part of South Africa, having suffered a scourge for decades, but it will be even a greater achievement if South Africa can reap economic prosperity and takes its rightful place in the community of nations—something which seemed impossible only a few years back.

*** Private-Sector Role in IMT-GT Stressed**

95SE0090B Kuala Lumpur BERITA HARIAN in Malay 16 Dec 94 p 7

[FBIS Translated Text] Pulau Pinang, 15 Dec—All the nations involved in the realization of regional development through the Indonesia-Malaysia-Thailand Growth

Triangle (IMT-GT) have given the right signals to their respective private sectors to have a part in making the idea a success.

Tun Daim Zainuddin, coordinating minister for the Northern Triangle Development Project, said the governments of the countries involved are prepared to provide facilities to the private sector.

He said that although there are still many things that must be done by the governments of the countries involved, the private sector's role is decisive.

Speaking today to a forum of conference ministers, he said he proposed that a large-scale transformation of the industrial sector be included in the agenda for involvement of the private sector.

He said the expertise and experience acquired during the past industrial decade need to be enhanced and used for the IMT-GT region so that it can spawn its own industrial corporations.

He said he wants all the countries involved not only to develop existing industries but also to pioneer together new fields of industry.

He said that an Asian Development Bank study mentions many things, including planning, that can be done together.

To develop the region as a growth center, he recommended that investments be made in the most strategic forms.

Explaining advantages of the region, he said there are several things that can be exploited, namely agriculture, communications equipment, business finance, insurance, cargo delivery, and higher education.

To provide facilities for development of the region with its 22 million inhabitants, Daim cited the need for human resource development and for improvement in local sources of funds for financing projects and investments.

He said there are many other requirements approved for the IMT-GT that require study in order to facilitate realization of the regional development concept.

One of those requirements is the use of electronic facilities for travel documents (including vehicle papers and insurance), for inspection sites, and for standardizing inspection methods.

*** Establishment of Export-Import Bank Approved**

95SE0090A Kuala Lumpur UTUSAN MALAYSIA
in Malay 24 Dec 94 p 2

[FBIS Translated Text] Kuala Lumpur, 13 Dec—Deputy Prime Minister Datuk Seri Anwar Ibrahim said the government has approved the formation of another bank, the Export and Import Bank (Exim Bank), especially for the financing of imports and exports.

He said the government has given the green light to the formation of this bank with the hope that it will be a support to the country's financial and services sectors, which are rather sluggish.

Speaking today at the introduction of a new logo for the Industrial Bank group, Anwar said the Industrial Bank, through a small committee, is responsible for planning the Exim Bank structure.

He said the formation of the bank is in response to demand and in accordance with a study made by the Industrial Bank and a recommendation made last year by the Central Bank.

"At the time of the last budget, I stressed that although we give emphasis to some important things, there are still other problems, which if they are ignored, will be permanent and burdensome," he said.

Anwar warned that the formation of the Exim Bank does not mean the Industrial Bank can fold its arms, however. On the contrary, the Industrial Bank needs to pioneer new markets overseas, such as in Angola, Papua New Guinea, Vietnam, and elsewhere.

Unlike the Industrial Bank's focus on Southern countries alone, the purpose of the Exim Bank, first recommended by the Industrial Bank several years ago, is to pioneer markets throughout the world.

Simultaneous with its recommendation, the Industrial Bank formed a small committee to draft several alternatives for the structure of the Exim Bank.

Among alternatives the Industrial Bank presented for structuring the Exim Bank are as an Industrial Bank subsidiary, an independent institution, a joint venture with commercial banks, or replacement of the Industrial Bank with the Exim Bank.

Several countries, such as Japan and India, have export-import banks under the authority of their ministries of international trade and industry.

Anwar added that the Industrial Bank has successfully performed the job entrusted to it by the government and has created an excellent corporate image.

He said the Industrial Bank, which has been much involved in the national shipping sector, needs to focus attention on the financing of long-term high-technology projects, including the construction of ships and docks, and on import and export activities.

"Through the Services Committee, we have reviewed achievements in the shipping sector, and we have found that the shipping industry still needs stimulation and help so that it can compete with industries in other countries," he said.

Anwar said the government has asked the Industrial Bank to manage facilities for joint-venture shipping and

financing of shipping, with the help of management led by Tan Sri Rama Iyer, chief executive of Global Maritime Sdn. Bhd.

* UMNO Shaken by Corruption Scandal

95SE0090D Jakarta SINAR in Malay 17 Dec 94 p 70

[Article by Suhardiyoto]

[FBIS Translated Text] By the standard of developing countries, Malaysia may be among the strictest in law enforcement. Enforcement does not consist only of maximum punishment of narcotics traffickers through execution by hanging. Even high government officials do not escape investigation if there is suspicion of abuse of authority.

After the chief minister of the State of Malaka, Tan Sri Rahim Tamby Chik, recently resigned after being accused of corruption and abuse of power, Malaysia is now shaken by a similar case involving a senior minister.

The implementation of the New Economic Policy (NEP), which was designed to speed up the progress of Bumiputra [Malays and other indigenous peoples] in the economic sector, has had a bad impact on the integrity of the government.

At present, Malaysia's Anti-Corruption Agency (ACA) is investigating whether there has been dishonesty in the transfer of 1.5 million shares of Leader Universal Holdings to the son-in-law of Minister of Trade Datuk Rafidah Aziz.

Othman Abdul, parliamentary secretary in the Malaysian Prime Minister's Office, said last week that the ACA investigation will reveal whether there has been any conflict of interest in the transfer of the shares. His statement was submitted in writing in reply to a question from Lim Guan Eng, member of Parliament from the Democratic Action Party. The legislator from the opposition camp asked whether Rafidah was being investigated in connection with the case.

On 15 May of last year, Rafidah was present at a meeting of officials from the ministry she leads when they decided to give the shares to Fazrin Azwar Mohamad Nor. Although several ministers have links with other share recipients, Rafidah remains the main target of charges, because she was the one who led the share distribution committee.

Rafidah once said that she took a neutral position during the discussion and explained that the applicant was her son-in-law. She also said that Fazrin, an attorney, had a right to the shares and had been recommended by Leader Universal.

In responding to a question from a member of Parliament last month, Rafidah also revealed that several children and friends of top government officials had received shares in the company. Those who received distribution included Mirzan, son of Prime Minister

[PM] Mahathir Mohamad; Marzuki, brother of Deputy Prime Minister Datuk Seri Anwar Ibrahim; and Datuk Adnan Shuaib, brother-in-law of Deputy Minister of Home Affairs Datuk Megat Junid Megat Ayob. She also revealed the names of recipients of shares in the First Allied Corporation real estate company.

Rafidah also declared that the distribution of shares was done fairly and that the share distribution committee—consisting of officials from the Ministries of Trade and Finance—merely followed the wishes of the companies. Moreover, she denied that she had abused her power as a minister for the benefit of her son-in-law. "It was merely a coincidence that Fazrin Azwar is my son-in-law. Even if he were not related to me, he would have obtained the shares in accordance with the company's recommendation," she said.

Minister of Justice Syed Hamid Albar also defended the committee's decisions. "Were the allocations large in comparison with total capitalization of the stock exchange? The sum was not very big," he said. Hamid also tried to convince critics of the government that share recipients did not do anything to hurt the country's economy.

The charges of corruption involving officials of the Federal Government and the State of Malaka are only a part of the wave of accusations against Malaysian leaders. Leaders of other state governments, such as that of Kedah, apparently have not escaped similar charges.

In his written response, Othman said that the ACA's investigation of Kedah Chief Minister Tan Sri Osman Aroff, sparked by corruption charges hurled by businessman Syed Mansur Syed Sakun, is almost complete. Othman also said that the investigation file will be submitted to the Attorney General, who will decide whether further action is needed.

Earlier, in responding to a statement by a legislator during debate on the budget, Deputy Finance Minister Datuk Mustafa Mohamad had denied charges that public corporation shares allocated to Bumiputra had been given to children and family members of United Malays National Organization [UMNO] leaders who are in power. Mustafa refused, however, to reveal the names of recipients of shares in public corporations cited by Wee Choo Keong, member of Parliament from the Democratic Action Party.

The distribution of shares to Bumiputra is part of the Malaysian Government's New Economic Policy. The policy, introduced in the early 1970's following bloody riots between Chinese and Malays, was intended to narrow the economic disparity between the two groups. The policy required that companies listing shares on the exchange must sell 30 percent of them to Bumiputra at low prices.

When Leaders Universal and First Allied joined the exchange, the two companies sold their shares for 1

ringgit each. Thus, buyers of shares in the two companies scooped up big profits, because on 22 November a Leader Universal share was worth 13.70 ringgit and a First Allied share was worth 1.61 ringgit. (See table.)

List of Share Allocation Recipients		
Name	Relationship	Profits
Leader Universal		
Mirzan Mahathir	PM Mahathir's son	7.5 million
Fazrin Azwar	Rafidah Aziz's son-in-law	7.5 million
Marzuki Ibrahim	Anwar Ibrahim's brother	7.5 million
Adnan Shuaib	Megat Junid's brother-in-law	7.5 million
First Allied		
Megat Fairouz	Megat Junid's son	3.3 million
Ainuddin Hamid	Hamid Omar's son	1.2 million
Adnan Shuaib	Hamid Omar's son	1.0 million
Fazrin Azwar	Megat Junid's brother-in-law	1.0 million
Faridah Abu Hassan	President of UMNO Women	1.0 million

Source: ASIaweek

Apart from the outcome of the corruption charges, the government coalition, with UMNO elements at its center, is expected to be a target of the opposition in the general election scheduled for the end of this year or the beginning of next year. The government camp looks calm, however, as it faces the next election. Although the opposition now has a new weapon with which to attack the government, the National Front, the ruling coalition, appears too strong for the opposition. In fact, Prime Minister Mahathir said firmly, "We are ready at any time."

Cambodia

Campaign Against Northern KR Bases Viewed

BK1302133095 Hong Kong AFP in English 1306 GMT 13 Feb 95

[FBIS Transcribed Text] Phnom Penh, Feb 13 (AFP)—Government forces were tightening a noose around Khmer Rouge guerrillas in a cliff-top temple in northern Cambodia as troops moved to surround a major rebel base, military officials said Monday.

"Our troops are nearly 500 meters from the (Preah Vihear) temple but there are still some 60 hardline guerrillas there," Deputy Chief of Staff General Nhoek Buncchai told AFP Monday by telephone from regional military headquarters in northwest Siem Reap province.

"I don't think the Khmer Rouge will defect yet because I think they still have some food," he said.

But he added that all rebel supply lines into Cambodian territory had been cut and that he was optimistic the troops would take the temple this month.

Hundreds of guerrillas had already defected this year in Preah Vihear and neighbouring Siem Reap province, he said.

The general dismissed reports broadcast on the guerrillas' clandestine radio that his troops in remote Preah Vihear province were demoralised, short of supplies and had suffered hundreds of casualties.

The situation around the temple was actually calm as the government hoped to starve the guerrillas out and not engage them in combat, the general said.

The army had orders not to shell or damage the historic Preah Vihear temple as it was seen as a national symbol, he said.

The temple, set on a dramatic escarpment overlooking dense jungle and straddling the Thai-Cambodian border, is accessible with great difficulty from Cambodia but can be reached with ease from Thailand.

Nhoek Buncchai said he believed the guerrillas may have food supplies stored in the area but were not necessarily receiving new supplies from Thailand.

But another government military commander recently told AFP that he feared the guerrillas may still be obtaining food supplies from Thailand.

Meanwhile, Nhoek Buncchai said government forces, assisted by Khmer Rouge defectors, were taking up positions around the Khmer Rouge's Anlong Veng base, the headquarters for all guerrilla operations in northern Cambodia.

The general, however, would not comment on whether the government was planning an offensive to take the base.

Siem Reap Governor Toan Chay told AFP by phone that in the past week the government had captured guerrilla bases around the Anlong Veng headquarters near Trapeang Tau, Lumtong and Sre Svay.

Three government soldiers were killed by a guerrilla landmine while 14 others were wounded in recent clashes, he said, adding that he had no numbers for guerrilla casualties.

Around 200-300 government soldiers were now stationed in each base to try to encircle Anlong Veng and to prevent guerrillas venturing out on raids, Toan Chay said.

The Khmer Rouge have recently been waging a scorched-earth campaign, raiding villages and razing thousands of homes belonging to poor peasants, who were not previously guerrilla targets.

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Government leaders and Western diplomats have called the ferocious new campaign a sign of "desperation."

Toan Chay said there was an estimated 600-800 guerrillas in the Anlong Veng area and were reportedly backed by several tanks. The government forces had yet to move heavy armour into the area, he added.

Toan Chay said the government planned to take the rebel base but did not specify when.

The government captured Anlong Veng last year but were quickly routed in a guerrilla counter-attack where several hundred government soldiers were reported killed or wounded.

Government foot soldiers later complained bitterly of poor logistics and careless leadership.

Khmer Rouge 'Cabinet' on Government 'Defeats'

BK1402041295 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 13 Feb 95

["Press communique" issued by the Secretariat of the Provisional Government of National Union and National Salvation Cabinet on 13 February; place not given]

[FBIS Translated Text] The cabinet of the Provisional Government of National Union and National Salvation [PGNUNS] held its weekly working session on Monday, 13 February, under the chairmanship of His Excellency Khieu Samphan, prime minister and minister of the National Army, and with the participation of all its members.

I. Current events and the situation in all sectors and domains clearly show that the two-headed elements, communist Vietnam, and the warmongering alliance are plunging even more deeply into their death throes. National and social contradictions and all sorts of indignations have grown even more serious. Nothing can save the two-headed elements. No matter how hard communist Vietnamese and the alliance of the United States, Australia, and France try, they cannot redress this situation. Even though communist Vietnam used hundreds of thousands of its aggressor troops for the past 15 years, with the former Soviet Union and Warsaw Pact giving them billions of dollars each year, they still could not save their puppet lackeys. The communist Vietnamese army, which was said to be the third most powerful army in the world, suffered stinging defeats both in Cambodia and in Vietnam. Later, UNTAC [UN Transitional Authority in Cambodia], which conspired with communist Vietnam, suffered equally serious setbacks. Then they conjured up the two-headed traitor clique, but this clique has experienced extremely serious defeats and is now facing total collapse, awaiting its doomsday.

II. The all-around stinging defeats suffered repeatedly by communist Vietnam, UNTAC, the warmongering alliance, and the two-headed traitor clique have been caused by the following factors:

1. The entire Cambodian nation and people as a whole are fighting resolutely in accordance with their correct and sacred line to prevent the communist Vietnamese enemy from wolfing down and exterminating the Cambodian nation and race in a bid to turn it into another Kampuchea Kraom [former Cambodian territory annexed by Vietnam in the 17th century]. This is because the Cambodian nation and people resolutely oppose and reject the stinking Hun Sen-Chea Sim-Ranariddh clique—the lackeys of communist Vietnam and the United States—which has betrayed, sold out, and destroyed the Cambodian nation. It is because the Cambodian nation and people resolutely oppose the warmongering alliance—the United States, Australia, and France—in its conspiracy with communist Vietnam to tear up Cambodia and help itself to whatever it wants.

The Cambodian nation and people want national reconciliation, peace, and the right to self-determination. They need to defend their national entity, honor, culture, traditions, spirit, and the survival of their nation and race.

2. It is because the communist Vietnamese, the two-headed clique, and the alliance are going against the current of humanity. They are aggressors, warmongers, and international cops who have oppressed various countries and peoples in accordance with their obsolete imperialist-colonialist nature. In the present era, they will not be allowed to manage and oppress countries and people at will. Presently, at the end of the 20th century and the beginning of the 21st century, there have been countless changes in terms of science, social evolution, national spirit, human intelligence, and fighting experience.

The current situation is totally different—just like sky and earth or day and night—from past epochs when the expansionists, colonialists, and oppressors could eliminate and exterminate other races at will. People everywhere are rising up to wage a resolute struggle in all forms and on all issues. They are struggling to defend their national sovereignty, identity, honor, right to self-determination and freedom of choice, and their customs and traditions. They are waging a resolute struggle against the regional and international oppressors, who are using savage and brutal force against them. They have fought resolutely against the use of human rights, democracy, and elections as fascist laws of the jungle against them.

People in Bosnia and the Balkan region are also fighting resolutely, refusing to become their satellite, as are people in the Middle East, the Caucasus, North and South Africa, Latin America, and the former Soviet Union. Even the aboriginal people in North America—their own lair—are rising up and waging every possible form of struggle, refusing to become their satellite.

Our Cambodian nation and people's struggle for national and racial salvation is closely intertwined with the network of struggle waged by the people of the world.

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Our nation and people's struggle and the struggle waged by peoples everywhere for peace, the sacred right to self-determination, and national and racial salvation constitute the sparks of a flame that is spreading far and wide and continuing to burn furiously. Nothing can put them off. The flames of national, social, and racial contradictions are blazing brightly and burning the heads of the regional and international warmongers and the international cops, causing them even more serious problems and plunging them into even more acute agony. This is the unstoppable current of humanity.

Successive events recorded in world history clearly show that the warmongers, peace destroyers, aggressors, and foreign vassals and traitors can never survive for long. They will be smashed and wiped out by the current of humanity. The clique of communist Vietnam's Hun Sen-Chea Sim-Ranariddh lackeys is being smashed by the Cambodian nation and people. Very soon they will be buried in the pit of traitors.

Genuine national reconciliation and genuine peace—which constitute the call and cause of the struggle waged by the Cambodian nation and people for the past 16 or more years and the wish of the peace-loving peoples in this region and throughout the world—will absolutely be achieved.

Monday, 13 February 1995
The Secretariat of the PGNUNS Cabinet

Khmer Rouge Claim Government Desertions

BK1402034995 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 13 Feb 95

[FBIS Translated Excerpt] The two-headed officers and soldiers who were sent to Sre Noy battlefield some 10 days ago—150, 50, 70, and 30 men at a time—kept deserting the battlefield on 11 and 12 February. By 12 February, only 15 remained on the battlefield. Upon hearing of this, their commanders in the 4th Military Region in Siem Reap Province became alarmed for fear of being attacked without any protection by our people and our national army. Therefore, they are trying to recruit soldiers and people from other areas to send to the Sre Noy battlefield. So far, though, they have been unable to recruit anyone to send to Sre Noy.

On the Varin battlefield, after we swept and basically destroyed everything, the two-headed elements in the 4th Military-Siem Reap Region mobilized 200 inhabitants and militiamen and 60 soldiers to attempt to retake and defend the Varin battlefield. These forcibly armed soldiers, militiamen, and people also fled. Nearly all of them have gone. Only three soldiers are left in this area. Those in the 4th Military-Siem Reap Region are greatly alarmed because Varin is the entrance to Banteay Srei, the Angkor temples, and Siem Reap itself. They do not know where to get troops to help them because the forces

on Preah Vihear battlefield are also wearing down, waiting only for their doomsday.

They are also suffering setbacks on the Route 68 battlefield. This road is being cut to pieces. [passage omitted]

Indonesia

ABRI To Address East Timor 'Incident'

BK1102100995 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 11 Feb 95

[FBIS Translated Excerpt] The Indonesian permanent representative to the United Nations, acting as chairman of the NAM [Nonaligned Movement] Coordinating Bureau, held talks with the Peruvian and Ecuadoran permanent representatives in New York. After meeting President Suharto at Merdeka Palace moments ago, Minister and State Secretary Mardiono told reporters that the results of the New York talks have been reported to the president as NAM chairman. [passage omitted]

Meanwhile, Minister Mardiono also briefed reporters on the handling of a report on an incident in East Timor. According to Minister Mardiono, the ABRI [Armed Forces of the Republic of Indonesia] leadership will take stern action against ABRI personnel who have violated regulations and will not rule out the possibility of their being brought to trial before a military high court.

Officer on Strength of Irian Jaya Rebels

BK1102103495 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 11 Feb 95

[FBIS Translated Text] The strength of the Irian Jaya GPK [Security Disturbance Movement, Indonesia's official term for the Free Papua Movement or OPM fighting for a separate state in Irian Jaya], particularly those operating around the copper mining area of P.T. [Company Limited] Freeport Indonesia in Tembagapura is meaningless. Major General I Ketut Wirdhana, commander of the 8th Trikora Military Region, told reporters in Jayapura that only several GPK members are operating in Tembagapura, Fakfak District and they are believed to possess only four pieces of arms.

The commander, however, admitted their existence and noted that their acts of terrorism in Tembagapura last October are causing anxiety among the local population. At that time, the GPK group in Tembagapura set the houses of Tsinga villagers to fire, forcing the villagers to leave their village for the jungle.

According to Maj. Gen. I Ketut Wirdhana, the 8th Trikora Military Region Command is cooperating with relevant agencies in rescuing and persuading 213 Tsinga villagers to return to their village. The 8th Trikora Military Region Command is cooperating with P.T. Freeport Indonesia in providing them with food and clothing, while the Irian Jaya provincial offices of the Department of Social Affairs and the Department of

Transmigration will help resettle the villagers in a better location for the sake of their future.

*** Home Minister Interviewed on Political Parties**

95SE0091B Jakarta GATRA in Indonesian

31 Dec 94 p 23

[FBIS Translated Text] Minister of Home Affairs Yogie S. Memed, as supervisor of politics, is naturally always involved in such matters. GATRA reporter Linda Djalil interviewed the former West Java governor. Excerpts are as follows:

[GATRA] Throughout 1994, people saw the PDI [Indonesian Democratic Party] as always in an uproar. What is your comment?

[Yogie] PDI internal problems ought to be reduced, because the big problems were resolved at the last PDI MUNAS (National Congress). If you want to talk about a PDI crisis, you should look at the Fourth Congress, the formation of a PDI "caretaker," the Special Congress, and the 1993 PDI MUNAS. At that time, there was the rival PDI DPP [Central Executive Council], the Group of 17, the Transitional DPP, and all kinds of other things.

At that time, the government called on all of them to conduct a dialogue and exchange ideas to unify all the elements in the fragmented PDI, so that the PDI could function as a political body in a way that would be "proportional," progressive, and self-sufficient. It turned out that prominent people in the PDI welcomed these government efforts, with the result that, when it was over, the PDI MUNAS had produced a PDI DPP under the leadership of Megawati. The rival DPP, Transitional DPP, Group of 17, etc., were no more.

These things were the results of joint efforts by the government and PDI supporters. Logically, the PDI DPP created by the MUNAS should be able to draw from the experience of that process, in which communications, openness, consultation were seriously developed.

[GATRA] There is an impression that you, as supervisor of politics, tended to keep hands off while the PDI was in an uproar.

[Yogie] That is often misinterpreted. There is an extension of the home minister's hand through governors in all the provinces. They know provincial conditions and their respective communities better, do they not? They have to be able to handle everything and localize everything. Problems in the provinces should not have to be handled by the central government. Things do not have to be brought to the central government level. Give them chances to take part in handling things. Our position is that of protection, not of control. Current PDI problems are different from those of the PDI congress and caretaker DPP. Those were national issues that could not be resolved in the provinces. The distinction must be made.

[GATRA] If the PDI crisis drags on, what are the prospects for the PDI?

[Yogie] If it cannot create conditions that are fully stable and solid, it is clear that the PDI will not be able to play a complete role in national life, which is steadily developing, since some PDI strength has to be directed toward consolidation. The truth is that the PDI is still unable to fulfill the mandate of the 1993 GBHN [Broad Outline of State Policy] as a sociopolitical organization of increasing quality and self-sufficiency, able to support the realization of the dynamics of Pancasila [ideology of the Indonesian state] democracy.

[GATRA] In your opinion, what can cool off the PDI? A competent leader? A dependable leader?

[Yogie] There must always be communication and consultation. These must be stressed. Settle problems that arise with skill and wisdom, so as not to invite unnecessary contention.

[GATRA] How does the government view Megawati's leadership?

[Yogie] Well, she is the one who has obtained the confidence of PDI members to lead their party. She must be given the chance to develop her leadership, so that she can respond to the confidence put in her.

[GATRA] Now for the NU [Muslim Scholars League] matter: Is it true that there has always been distance between Gus Dur [Abdurrahman Wahid] and the government?

[Yogie] From the time he began to lead the NU until his reelection in the last congress as general chairman and executive of the NU PB [Executive Council], he has always had communication with the government. For example, before and after a congress he always communicates with government officials, and he is friendly with them. Differing opinions are merely natural. In democratic life, the government accommodates various opinions for the sake of finding the best alternatives.

[GATRA] The PPP [Development Unity Party] Congress accommodated the government's aspirations. The congress was a success. What was the secret?

[Yogie] The success of the PPP Congress was a success of the Indonesian people, especially members of the PPP. The congress succeeded because of awareness by people who wanted the PPP to be unified, strong, and self-sufficient. The result was that they were able to function as a quality, representative political body, as a pillar of democracy.

If you ask, the government's aspirations were that the PPP, as an infrastructure, be able to understand the importance of the political development laid out in the GBHN and to accommodate political guidance in various matters. First, there is the strengthening of arrangements for political life based on Pancasila democracy. Then there is the guarantee that political and community

bodies can function. There is also the strengthening of the political communication process. In addition, there is the development of an atmosphere and attitude of openness and responsibility.

*** Rudini Comments on Political Situation**

95SE0091C Jakarta GATRA in Indonesian
31 Dec 94 p 24

[FBIS Translated Text] What will the democratization process be like in the future? Rudini, former minister of home affairs and now director of the Indonesian Institute for Strategic Studies (LPSI), last week received Genot Widjoseno and Priyono B. Sumbogo from GATRA for an interview. Following are excerpts:

[GATRA] Some people charge that government interference failed to block Megawati Sukarnoputri from becoming general director of the PDI [Indonesian Democratic Party] and Abdurrahman Wahid from becoming general chairman and executive of the NU [Muslim Scholars League].

[Rudini] I would not use the term "government interference," but "external influence." In my opinion, in any country there are always external factors that try to influence sociopolitical organizations or community organizations. I would not accuse the government of interfering too much in the PDI or NU. I do not think the government ever supported a specific person for heading a party or community organization. As political supervisor, however, the government may indeed wish for a leader who can be called on to cooperate. That is only natural.

[GATRA] What, actually, is the line between supervising and interfering with?

[Rudini] Basically, as political supervisor, the government has the job of protecting unity on the basis of Pancasila [ideology of the Indonesian state].

[GATRA] In the East Java PDI crisis, however, the governor of East Java appeared to take sides. He permitted the appointment of Latief Pudjosi. When Mega wanted to appoint Sutjipto as chairman of East Java PDI, she was not allowed to do so.

[Rudini] Oh, yes, that. The governor went too far. He indeed was responsible for ensuring public order and security but went too far. That gave the impression that the government was not just supervising politics, but interfering.

[GATRA] The government reportedly was successful in making Ismail Hasan Metareum general chairman of the Development Unity Party (PPP) again.

[Rudini] His success in the PPP was actually more because of Pak [father, informal term of respect] Ismail Hasan's strong position. If the branches had not wanted him, external influence would have had no meaning.

[GATRA] Can the successes of Mega and Gus Dur [Abdurrahman Wahid] be called defeats of external influence?

[Rudini] It was not a matter of defeat or victory but a change in the nature of the government's approach. First, the government's approach changed. At the inception of the New Order, the government still used the "security approach" model to create national stability. If that had not been done, it was feared that former PKI [Indonesian Communist Party] members, who were still roaming about, would interfere with stability. At that time, all organizations were under the tight control of the government.

After development had been under way for 25 years, however, and stability had been created, the government began to use more flexible means so that sociopolitical and mass organizations would be more self-sufficient. Besides that—and this is the second factor—public political awareness had increased. It cannot be denied that the people of the 1970's were different from the people of the 1990's. In my opinion, however, that awareness is only of rights and not yet of the duty to comply with regulations and laws.

[GATRA] Is that not because of international voices that spotlight political and basic human rights issues here?

[Rudini] International influence indeed exists, but merely on human rights issues. I do not think there is any influence on the democratization process, because the implementation of democracy varies with each nation, according to its culture. Democracy here is based on a family spirit that emphasizes consultation and consensus. I think that the democratization process in this country is more influenced by the political awareness of the people, who increasingly dare to fight for their rights.

[GATRA] Recently, the government was asked to intervene in the PDI. To resolve the crisis in the East Java PDI, for example, several prominent PDI people in fact asked the government to intervene. Moreover, in West Java, the elected chairman of the KONFERDA [expansion unknown] was accused of being dishonest by PDI people themselves. That was the same as asking the government to remove their elected chairman.

[Rudini] Ah, yes. That can be blamed on party cadres. Were the cadres ready to fight for the self-sufficiency of the party? Was the party cadre system able to bring forth a strong leader? If the leader who emerges is weak, a crisis will be produced. They apparently were not yet able to be self-sufficient.

[GATRA] Some people say Megawati is weak. Her leadership experience is minimal. Her action in firing two PDI leaders actually made the crisis worse.

[Rudini] I think she acted to maintain discipline. If they did not agree with the results of the congress, i.e., the decisions of the DPP [Central Executive Council], they

should have left the party. In my opinion, the government must reject opposing groups, because they are not constitutional. We must have a foundation of legality. That is also true at the national level. Unconstitutional actions in society must be eliminated. If not, there will be confusion.

[GATRA] How do you view political developments in the years to come?

[Rudini] The government can no longer use the security approach model. As political supervisor, the government should help to speed up the self-sufficiency of parties by giving opportunities to parties to make decisions themselves. If not, the situation will be serious.

* GOLKAR, Chairman Harmoko Examined

95SE0091A Jakarta GATRA in Indonesian
31 Dec 94 p 26

[Column by Affan Gaffar]

[FBIS Translated Text] Although GOLKAR [Functional Group] people do not want to admit it, GOLKAR is a political party, because it meets the requirements for being a political party. This organization, which uses the symbol of the banyan tree, has run in every general election, every five years. GOLKAR also has put its people in executive and legislative jobs and has a distinct platform. By definition, GOLKAR is a political party.

Now is the first time in its history it has been managed by a civilian, Minister of Information Harmoko, but most of the heads of branches and regional units come from the ranks of ABRI [Indonesian Armed Forces] or at least from the ABRI Family (KBA).

Djuhartono, S. Sukowati, Amir Murtono, Sudharmono, and Wahono were senior ABRI officers assigned to civil posts. Among these general chairmen, Harmoko is unique, in my opinion. Why? First, as minister of information he has a very definitive position and controls the flow of information in this country, with the result that his exposure to the mass media is very great. Wherever he goes, reporters follow him in crowds. There has never been a minister as popular as Harmoko. Television and radio often cover him excessively; the first news item will be about Pak [father, an informal term of respect] Harmoko as minister, and the second will be about Bung [brother, an informal term of respect] Harmoko as GOLKAR general chairman, with his yellow jacket and characteristic smile.

Second, as minister and GOLKAR general chairman, Bung Harmoko is a very attractive figure and personality, especially to reporters. He is always ready to talk to them. Since he used to be a reporter, his statements are always easy for reporters to digest, which makes their work very easy. He is unlike the general chairman of the PDI [Indonesian Democratic Party], for example, who says only what is necessary to reporters. Bung

Harmoko's rhetoric is very good, especially when compared with other leaders of political parties and mass organizations in Indonesia, although he is still behind Bung Karno [the late President Sukarno] and famous Islamic scholar and teacher Zainuddin M.Z.

Third, Bung Harmoko is general chairman of GOLKAR and can be described as most active in motivating the party. While previous general chairmen had two activities at most—prior to regional conferences and in election campaigns—Bung Harmoko stepped on the gas as soon as became general chairman.

There are times when he distributes GOLKAR aid to victims of natural disasters. On other occasions, with his "yellow-clad troops," Bung Harmoko reminds GOLKAR cadres always to be ready to work hard for the sake of development and for New Order victory. Often, he is one day in Aceh, the next in Kalimantan, and then in Sulawesi. I believe there is not one district that Bung Harmoko has not traversed.

GOLKAR is a hegemonic party. According to Giovanni Sartori, a party such as this will not give opportunity to opponents to compete on equal terms. Therefore, although the sixth general election under the New Order is still two and a half years away (1997), Bung Harmoko is already driving in third and fourth gear. Meanwhile, the other two parties are still running in place, particularly because of very chronic internal conflicts, such as the one in the PDI.

GOLKAR hegemony is formed by the support of more than 200 mass organizations. These organizations are categorized into "channel A" for members of the KBA, "channel B" for the bureaucracy—employees of the government and BUMN's [state-owned enterprises]—and a third, "channel G," for existing community organizations.

GOLKAR is a unique political party, because the unity in its ranks is guarded closely. Internal conflicts or friction in other political parties and mass organizations are things that make the organizations dynamic. Such things are unknown in GOLKAR. The organization is guarded in such a way that it is always united, and there is absolutely no room for conflict.

This is a consequence of GOLKAR's organizational structure, which is also unique. At the national level there is the Supervisory Council, while in the provinces and districts there are the deliberative councils and advisory councils. If there is a problem, it is immediately resolved by involving those councils.

Does GOLKAR not know anything about friction? If there is any, it is more of a personal nature, such as between Pak Wahono's people, who were removed from the FKP-DPR [GOLKAR Faction in Parliament], with the "old guard," and the new, relatively younger GOLKAR generation brought in by Harmoko. Such friction is not going to have any negative impact on

GOLKAR, because they all still have a strong commitment to maintaining GOLKAR hegemony. The roles and prestige of the Supervisory Council in Jakarta and the deliberative councils in the provinces are still very decisive in resolving conflicts. As a result, if anyone is disappointed or dissatisfied with GOLKAR, he is not going to take people away from GOLKAR like NU [Muslim Scholars League] did to the PPP [Development Unity Party].

In the 1992 general election, GOLKAR experienced about a 5 percent decline in votes. What about the 1997 election? Experience shows that when GOLKAR suffers a decline in votes, it is "all out" in the next election.

There is no one who can match the activity of the duet made up of Bung Harmoko and Mbak [sister, informal term of respect] Tutut. A day does not pass without their appearance on TVRI [Indonesian Television] and private TV. The same is true of GOLKAR's resources. Mass support? Exceedingly great. Funds? No problem. In the present globalization era, money and politics are two things that simply cannot be separated. In the 1997 election, therefore, GOLKAR will get at least as many votes as it did in 1987, or, by my estimates, around 73-75 percent of the total vote.

In my opinion, GOLKAR's future will be a very long one. GOLKAR will continue to hold the reigns of government for a very long time, at least as long as the Congress Party in India or the LDP [Liberal Democratic Party] in Japan. In fact, there is a chance that GOLKAR will be like the PRI [Institutional Revolutionary Party] in Mexico, which has been in power for more than 50 years.

Is this a pessimistic position, especially in connection with the future of democracy in Indonesia? Possibly yes, but it is based on present realities. In politics, the tendency to hold on to what one has, and even to enlarge it, is an instinct of each individual and group.

* New Muhammadiyah Leader Profiled

95SE0095D Jakarta KOMPAS in Indonesian
8 Jan 95 p 2

[FBIS Translated Excerpt] He is still one of a few experts in Indonesia who understand every problem in the Middle East. This expert from Gadjah Mada University [UGM], Dr. H. Muhammad Amien Rais, M.A., is now also the first intellectual to hold the top leadership post of Muhammadiyah, the largest "modernist" religious organization in Indonesia.

At the Muhammadiyah Conference in Solo on 29-31 December 1994, this native of Solo, born on 26 April 1944, was confirmed by acclamation to be chairman of the Muhammadiyah Central Council (PP) until the 43d Muhammadiyah Congress is held in Banda Aceh on 1-5 July 1995. On 8 July 1994, he became acting PP chairman following the death of Ustad [term of address

for Islamic teacher] Prof. K.H. [Islamic scholar and pilgrim] Ahmad Azhar Basyir, M.A., on 28 June 1994.

This alumnus of the UGM FISIPOL [Sociology and Political Science Faculty], who is now chairman of the International Relations Department and instructor in the S-2 [Master's] Program at UGM, has a name among intellectuals. He received his master's degree from the University of Notre Dame in the United States in 1973, with a thesis on the foreign policy of Egypt under Anwar Sadat, who was close to Moscow. He also received a certificate for Soviet and East European studies at that university.

Before he won a doctorate in political science from the University of Chicago in the United States with a dissertation on "The Moslem Brotherhood in Egypt. Its Rise, Demise, and Resurgence" (1981), he conducted a year's research in Egypt. He was one of the 49 founders of the Indonesian Muslim Intellectuals Association (ICMI) in Malang in December 1990. His position in ICMI leadership is that of first assistant to the general chairman.

"Yes, I am the first person without an Islamic scholar's background to hold top leadership in Muhammadiyah, but that is because I was previously the deputy chairman of the Muhammadiyah PP. Besides, since I will be holding office for only six months, it is hard to conclude that there is a new phenomenon in Muhammadiyah," he said when asked for comment.

Everyone knows, however, that Amien Rais' dedication as a Muhammadiyah member does not need to be doubted. Although he lives in the neighborhood of the Solo Kepatihan [a traditional vice-regency], which is predominantly merely nominally Muslim, Amien was raised in a Muhammadiyah family. His father, the late Suhud Rais, a graduate of Mualimin Muhammadiyah, was an employee of the Department of Religious Affairs. His mother, Mrs. Sudalmiyah, served for about 20 years as chairperson of the Surakarta Aisyiyah, a Muhammadiyah women's organization. His grandfather, Wiryo Soedarmo, was a Muhammadiyah founder in Gombong, Central Java.

The second of six children, he was educated in Muhammadiyah schools in Solo from kindergarten through high school. "My mother said that as long as there were Muhammadiyah schools, there was no need to go to another school. If in 1962 there had been a Muhammadiyah University, I definitely would not have gone to UGM," he said reflectively.

It is not surprising that Amien Rais and his five brothers and sisters are active in Muhammadiyah. His older sister, Mrs. Fatimah Abidin, is now chairperson of the South Sumatera Aisyiyah. His younger brothers, Drs. Abdul Rozak Rais and Drs. Ahmad Dahlan Rais, are directors on the Solo Regional Council of Muhammadiyah. Similarly, his two younger sisters, Siti Aisyah and Siti Aisyahyah, are also activists in Pekanbaru (Riau) and Solo, respectively.

Although an instructor at the UGM FISIPOL, a leader of the ICMI, and an intellectual lecturer and speaker in various forums, Amien Rais is not a person who is in a hurry and hard to find. Among his activities, he has the "Solo Food Stall—Muslim Chinese Food" near his house in Gandok (Condongcatur, Depok, Yogyakarta). The food stall is managed by his wife, Kusnasriyati Sri Rahayu, whom he married on 9 February 1969. They gave to their five children (three sons and two daughters) names that are meaningful to them or are from the Koran: Ahmad Hanafi, Hanum Salsabillah, Ahmad Mumtaz, Tasnim Fauzia, and Ahmad Baihaqi. [passage omitted]

Laos

Vietnamese Party Delegation Arrives for Visit

BK1402112595 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 14 Feb 95

[FBIS Translated Text] A delegation of the Ideological and Cultural Department of the Communist Party of Vietnam [CPV] Central Committee led by Com. Ha Hoc Hoi, deputy head of the department, arrived in Vientiane at noon on 12 February for a visit to Laos at an invitation of the Propaganda and Training Board of the Lao People's Revolutionary Party [LPRP] Central Committee. This visit is aimed at exchanging views between the ideological and cultural delegation of the CPV Central Committee and a delegation of the Propaganda and Training Board of the LPRP Central Committee. It is also intended to further strengthen the long-standing traditional solidarity.

During its stay in Laos, the Vietnamese delegation is scheduled to visit a number of production establishments and historical places. The Vietnamese delegation was welcomed upon its arrival at the airport by Phanduangchit Vongsa, deputy head of the Propaganda and Training Board of the LPRP Central Committee, along with representatives of the SRV Embassy in Laos.

Official Meets Japanese Economic Delegation

BK1402093995 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 14 Feb 95

[FBIS Translated Text] Khamphoui Keoboulapha, deputy prime minister and chairman of the Planning and Cooperation Committee, met with a Japanese economic cooperation delegation headed by (Masato Kubira), chief of the Assistance Service attached to the Economic Cooperation Office of the Japanese Foreign Affairs Ministry, on 10 February and expressed satisfaction with the economic cooperation between Laos and Japan. He noted that in the recent past, the Japanese Government and sectors concerned have rendered efficient aid and cooperation to Laos, thus contributing to the fruitful socioeconomic development in Laos. Khamphoui Keoboulapha also expressed the hope that the Lao-Japanese relations and cooperation will be increasingly promoted and expanded.

(Masato Kubira) was of the view that the consultative meeting on economic cooperation, which was held recently in Vientiane between the Japanese cooperation delegation and a Lao Government delegation, was satisfactorily successful. Following the meeting, the Japanese Government has responsively agreed to render more assistance and cooperation to the Lao People's Democratic Republic, in particular in the fields of agriculture, public health, infrastructure, and human resource development.

Economic Quadrangle Joint Firm Established

BK1402113495 Vientiane KPL in English 0910 GMT 14 Feb 95

[FBIS Transcribed Text] Vientiane, February 14 (KPL)—The Government of the Lao PDR [Lao People's Democratic Republic] and the U.S.A. Group Company of Thailand declared the establishment of a company for the economic quadrangle joint development at a press conference held at the Lan Xang Hotel on February 11.

The Economic Quadrangle Joint Development Company was set up on November 21, 1994 between the Lao PDR Government and the U.S.A. Group Company of Thailand. The Lao Government holds 40 percent of the joint venture and the Thai partner 60 percent.

The term refers to the four adjacent countries of Laos, Myanmar [Burma], southern China, and Thailand.

According to Mr. Boualai Souk-aloun, chairman of the company, on November 31, 1993 the Lao PDR Government authorised the U.S.A. family from Thailand to conduct a technical survey for road construction and socio-economic development in Bokeo and Luang Namtha Provinces. The data from the survey confirms the feasibility of socio-economic development in the northern provinces of Laos, especially Bokeo and Luang Namtha.

Five projects have been generated by the survey. These include the construction of a 250-km long road between Bokeo and Boten bordering China, the development of a special economic zone, the development of cultural-environmental attractions, the development of facilities/infrastructure, and the development of communication. The concessions for these five projects are valid for 30 years with three ten-year extensions negotiable. These projects will cost 121,800 million kip.

Philippines

Government Studies Spratlys Issue for UNSC

BK1402033295 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 13 Feb 95

[FBIS Translated Text] The government is currently studying what steps it will take in connection with the

setting up of structures and the stationing of warships by the Chinese in the part of the Spratly Islands claimed by the Philippines.

Alex Tinsay has the report:

[Begin recording] [Tinsay] During the joint hearing of the Senate Committees on Foreign Relations and National Defense, Foreign Affairs Secretary Roberto Romulo said that China committed a violation of international law when it put up structures in Panganiban Reef in the Kalayaan Group of islands claimed by the Philippine Government. According to Secretary Romulo, the occupation of Panganiban Reef by PRC forces is considered threatening by the Philippines:

[Romulo, in English] We have a claim on the basis of Presidential Decree 1596 and on the basis of the Constitution where we define our 1987 Constitution. [sentence as heard] We definitely have a legal claim for it. Others may have their legal claims, but we believe ours is the more valid.

[Tinsay] Still, according to Romulo, one of the diplomatic steps the Ramos government may take against China is to file a case before the United Nations Security Council or the International Court of Justice.

Defense Secretary Renato De Villa said that he does not see any possibility of armed confrontation with China on the issue. De Villa said, however, that the government will stand firm on the issue.

Congressman Juan Ponce Enrile said the government has a strong legal right to the Spratlys, including the Treaty of Paris and the decree by the late President Marcos declaring the Spratlys part of the Philippines.

In conclusion, Foreign Affairs Secretary Romulo told the two Senate committees that the government will decide what step to take during tomorrow's National Security Council meeting chaired by President Ramos.

Alex Tinsay, GMA News. [end recording]

Editorial Warns Against War Over Spratlys

BK1402074595 *Quezon City MALAYA in English*
10 Feb 95 p 4

[Editorial: "War is the Last Thing We Need"]

[FBIS Transcribed Text] Just when things seem to be looking up for the Philippines, something happens. An international crisis is brewing in the Spratly Islands, predicted to be the next flashpoint in Asia. And once a military conflict breaks out, we might find ourselves in the middle of a battle we cannot hope to win.

President Ramos knows it. Although he ordered the military to beef up troops in Kalayaan islands, this is more for show than anything else. It is common knowledge that our military capabilities are 50 years behind the times.

This is the worst time for us to be entangled in a war. An entanglement in a fierce international dispute may be fatal to the economic goals of the Ramos administration. A false step may reverse the hard-earned economic gains the Philippines has achieved in the past year. The requirements of a military operations can wreak havoc on our already limited resources.

However, it is also not honorable for us to ignore the provocations of the People's Republic of China [PROC] and Malaysia. Evidence is strong that the PROC has deployed warships and built structures. It has also been confirmed that Malaysian troops occupied a couple of islands in the Kalayaan group of islands, a part of Spratlys that the Philippines is claiming.

We must be assertive without being provocative. We must push hard to correct the obvious violations of previous international agreements by China and Malaysia but not through military posturings. There are international venues available for addressing this problem. One is the international forum set next July in Brunei. Here, representatives from 18 nations including the Philippines, China, Malaysia, the United States, and Japan will tackle Asian security problems that stand in the way of greater regional cooperation.

A strong diplomatic lobby can make up for our weak military powers. International opinion may force China and Malaysia to see the problem in a diplomatic setting.

The government's decision to explore all diplomatic venues to resolve the conflict is commendable. It shows that the president, a man learned in the science of war, is learning fast the art of peace.

But the government must quickly find a way to stall China and Malaysia's build-up of troops and other violations of international agreements. Other countries also claiming Spratlys might be provoked. The Philippines will likely be sucked into the ensuing conflict, whether we like it or not.

A small spark is all this powder keg needs.

Thailand

Cuban Foreign Minister Interviewed on Visit

BK1302055695 *Bangkok THE NATION in English*
11 Feb 95 p A6

[Interview with Cuban Foreign Minister Roberto Gonzalez by THE NATION correspondent Don Pathan in Bangkok; date not given]

[FBIS Transcribed Text] **What do you hope to achieve on your trip to this region and why did you choose Thailand in particular?**

The visit to Thailand is a continuation of a tour of East Asia where I have found understanding and respect. I have established a special communication with the government in Thailand and I have found a willingness to

exchange in the Thai Board of Trade and the Federation of Thai Industries. There are many things in the area that Cuba needs and there are many things Cuba can offer to this region. Rice, rubber and other raw materials would be beneficial to Cuba. Biotechnology, sport trainers, and sugar are some of the things we can offer Thailand and the region.

What kind of adjustments does Cuba have to make in order to increase trade volume, considering the fact that Cuba has a different economic system from many of the countries around the world?

There are other countries in this region that have a different government system from the West and yet, they are maintaining relationships with the West. China and Vietnam have managed to do so. Cuba doesn't have to create a totally different scheme; we can adapt ourself to any special circumstance. I can assure you that we have a model that's capable of adapting to the realities that the world is experiencing.

Does Cuba feel it is lagging behind as some Latin American countries are enjoying the benefits of market economics and the fact that they are in a better position to establish links with the Asia Pacific through Nafta? Is your visit here aimed to secure a place for Cuba in the dynamic Asia Pacific region?

It's not that we feel like we are lagging behind. The situation is different for us. First of all, I would like to see what the so-called free market (system) of America has done to solve for the Latin American people what our economy—which has been said to be not so free—has already solved for our people. We don't want to make any comparison. We are very happy for them. We are happy for any country for to be a member of any free trade agreement.

There is a great difference between the Latin American countries and the US. Any issue regarding trade has to be addressed to the US, since they are using this avenue to establish a trade agreement. We have to deal with the US blockade. But we exist and we live.

You use the word "blockade" instead of "embargo". What is the distinction?

We have many reasons to use the word blockade. If it was an embargo, the difficulties would not be so serious for Cuba; it would simply be a non-relationship between the US and Cuba. The US has the right to decide who they want to trade with. But the US has not only not traded with Cuba, they persecute fiercely those who are trying to trade with Cuba. And that's the differences between blockade and embargo.

Are the Cuban Americans a big factor in maintaining this "blockade"?

The blockade is a combination of many factors. I believe that it's not fair to judge the whole Cuban American

community. There are, however, some people in American society who insist on the blockade but there are a number of Cuban Americans who do not think that way. I believe that today, after 30 years of an absurd policy—a policy that has been condemned by the General Assembly of the United Nations—the issue of Cuba, which at one time was a major part of the US foreign policy, has turned into one of American domestic issue—an issue which may include the Cuban American factor.

President Fidel Castro is expected to pay his first visit to China sometime this year. What is the purpose of his visit?

There is no confirmation from the Cuban side as to when the trip will take place. Of course, our president's visit to China will be a special occasion in our relationship with China, especially after President Jiang Zemin came to Havana. But we don't have to wait for that visit to continue strengthening our relationship. The visit could or could not take place.

Since the 1959 revolution, Cuba's position in the world community has been largely defined in light of the Cold War. Now that we have entered the era of post-Cold War, what direction will Cuba take and what are some of the obstacles Cuba will encounter?

Many historians speak about the end of the Cold War but for my country the War continues to be as cold as ever. The conditions that existed during the Cold War haven't disappeared and the US attitude towards Cuba has not changed. In my opinion, the greatest obstacle for all of us is the existence of one superpower. In the obstacles like the one we are facing, we have to find alternatives which will enable international organizations such as the United Nations and the non-aligned movement to have a role in assisting us.

What kind of dialogue does Cuba have with the United States?

Our only dialogue with the US is on the issue of migration. There is no other dialogue. The reason for no dialogue is because the US refuses to remove the obstacles. In order for normal dialogue to take place, the US must have a mutual respect for Cuban sovereignty.

On the migratory issue, a meeting point was found and agreement was reached. Cubans have said that if we are capable of solving problems such as this, other problems could be solved as well. But first of all, there must be mutual respect between the two countries before a normal dialogue can take place.

The US-Vietnam relationship was normalised recently. Your country has very strong ties with Vietnam. What is your opinion of the normalization?

We are very happy with the fact that Vietnam has good relations with other countries, even with the US. We can't set conditions on our friends if they wish to have a

relationship with other countries. It's up to the Vietnamese people to decide. If we regret something, it is that the normalisation hadn't taken place long before.

Many American firms have signed letters of intent which would put them in a favourable position with Cuba if and when Washington lifts its 32-year economic embargo. Are you optimistic?

It's in our nature to be optimistic. I'm confident in the rationality and the intelligence, as well as the capacity of the American business community. I believe the American firms will not stand to be blockaded much longer because they are losing out. Anybody can make investment in Cuba except the Americans. Cuba can be visited by any tourist except American tourists. In a country of "freedom" there isn't much freedom.

*** Military on Trat-Cambodia Logging Operations**

95SE0099E Bangkok *THAN SETTHAKIT* in Thai
11-13 Jan 95 p 17

[FBIS Translated Excerpt] [Passage omitted] A *THAN SETTHAKIT* reporter in Trat Province reported that the companies that have received permission to import logs from Cambodia into Trat Province in Thailand recently sent a letter to Mr. Phairot Priyarat, the governor of Trat Province, asking that the border transit points be opened 24 hour a day in order to facilitate bringing logs into Thailand. They claim that the situation in Cambodia is uncertain, and that there might be changes. So far, the province has not approved this request.

Today, Trat Province has opened six temporary border transit points to bring in logs. The companies that have been granted permission to bring in logs include the Thung Tin Dam Company Ltd., the Phiphat Timber Company Ltd., the S.S.R Commercial Company Ltd., the Wooddel Supply Company Ltd., and the Siam Timber Company Ltd. Trat Province granted them permission to bring in timber effective 28 September 1994.

Mr. Sutharat Chaiyasi, the general manager of the Thung Tin Dam Company Ltd., said that his company and the other company that has been granted a timber concession in the Khmer Rouge area, that is, the Wooddel Supply Company Ltd., have sent a letter to Mr. Phairot Priyarat, the governor of Trat Province, asking that the border transit points for bringing in timber be opened 24 hours a day. This is because the situation in Cambodia is uncertain, and things could change at any time. Also, it rains heavily and for long periods in Trat Province and across the border in Cambodia. This could affect timber operations in the concession areas.

"There have been reports that the Cambodian Government is making preparations to suppress those timber companies that have not been granted permission or that have not been granted proper authorization. These are considered to be illegal companies that are causing

problems for the legal timber companies and the Cambodian Government. Actually, such action will be beneficial. But this might affect logging operations. This is because the Cambodian Government might order the authorized timber companies to cease logging operations until the other companies have been shut down. No one knows how long that will take. Thus, our company feels that timber should be brought out as quickly as possible in order to avoid any possible losses."

Mr. Phairot Priyarat, the governor of Trat Province, said that the Trat provincial committee responsible for monitoring this has already held a meeting on this. But an official announcement has not been made, because this must be coordinated with the military, which includes the Chanthaburi-Trat Border Defense Force and the Trat Marine Special Operations Unit. Trat Province must first obtain their views. At the present time, it probably won't be possible to open the border transit points 24 hours a day, because the arguments for doing this aren't strong enough.

Vice Admiral Trirat Chamanan, the commander of the Chanthaburi-Trat Border Defense Force, said that the Cambodian Government has sent military forces to suppress the Khmer Rouge in the areas where Thai timber companies have been granted concessions. This has affected logging operations. The military has asked these companies to stop their logging operations for the time being. As for opening border transit points 24 hours a day, transit points can be opened periodically but not 24 hours a day as requested.

Military Protests Kidnapping of KNU Official

BK1402061795 Bangkok *BANGKOK POST* in English
14 Feb 95 p 6

[FBIS Transcribed Text] Military authorities based in Mae Sot District in Tak lodged a letter with the Burmese authorities in Myawaddy yesterday protesting the kidnapping by a "defecting" Karen force of a Karen National Union [KNU] official from a refuge camp in the province last Friday.

The letter signed by Col Phairat Wiruhayan, deputy commander of Task Force 34 and vice chairman of the Thai-Burmese Border Committee said Rangoon was seen as intruding on Thailand's sovereignty by allowing six armed members of the Democratic Karen Buddhist Organisation [DKBO] to encroach on Thai soil.

He said the incident could affect Thai-Burmese ties.

The six unidentified members of the DKBO are believed to have come from Manerplaw to kidnap the KNU official Pa-an Pado Mah, from Bae Klao refugee camp in Ban Mae La in Tha Song Yang District.

The KNU official was reportedly taken to the Burmese government forces' Ninth Battalion's 44th Division headquarters.

Officials with Task Force 34 said a vehicle used in the kidnap was found after an accident near the border line.

Three more checkpoints manned by border patrol police and volunteers have been set up on routes between Tha Song Yang and Mae Ramat districts to check passing vehicles.

About 1,000 Karen people have reportedly left refugee camps in areas bordering Tak over the past three days to surrender to authorities in Myawaddy.

The Karen left the Maokia Refugee Camp in Phop Phra District and other camps in Ban Huai Kalok of Mae Sot District, said a former Burmese politician who lives in a bordering area.

Those surrendering include whole families and KNU officers with the rank of first lieutenant and captain.

Rangoon is reported to have taken advantage of its ascendancy in the fighting by sending members of the DKBO to persuade Karen at refugee camps in Thailand to surrender to Burmese authorities, said the former politician.

The Karen were told they could simply report to Burmese authorities and they would not be deprived of their weapons.

He said Rangoon had provided the surrendering refugees with money, good food whiskey, imported cigarettes and new clothes.

Some defecting Karen troops were given homes at Kawkareik, about 65 kilometres deep inside Burmese soil on the Myawaddy route, while others were allowed to return to their old homes, he said.

The defecting troops are believed to be under close watch by the Burmese authorities.

Officials with the Refugee Committee confirmed some Karen had left the refugee camps to return to Burma but no specific destinations had been reported.

The refugees are free to decide their own destinies but they would be told to think carefully before leaving, said one official.

DKBO troops in Manerplaw and five or six other KNU strongholds lack provisions after their links with Burmese forces came under attack from KNU guerrillas.

Burmese troops with the 44th Division, which is standing guard for the main Burmese force dominating the Kawmura camp opposite Mae Sot District, have reportedly battled with guerrillas from the KNU's Seventh Division at Tichara Bawtae.

* Further on Surayut's Khmer Rouge Comments

95SE0099D Bangkok SIAM RAT in Thai 9 Jan 95 p 3

[FBIS Translated Excerpt] Lieutenant General Surayut Chunlanon, the 2d Army Region commander, and a

team including Major general Sanan Maroengsit, the commander of the Suranari Force, visited the Thai-Cambodian Border Development Center in Kap Choeng District, Surin Province, on the afternoon of 8 January. [passage omitted]

Lt. Gen. Surayut said that the Suranari Force is constantly monitoring the situation along the Thai-Cambodian border in Surin Province. The Cambodian government has now sent military forces to suppress the Khmer Rouge in Siem Reap and Banteay Meanchey provinces, which is an area located approximately 120 km from the border with Surin Province. Thus, the border transit points once used to transport timber into Thailand from Cambodia must be kept closed, and we must continue to monitor the situation.

The 2d Army Region commander said that this area must be kept closed, because the overall situation is unsafe, particularly at the An Ma Pass, for which the Suranari Force is responsible. We don't want any problems to arise again.

Lt. Gen. Surayut said that the area of responsibility of the Suranari Force extends for 360 km. This area is mostly a mountainous jungle area, and forces must be positioned at various points. Thus, the 2d Army Region has told Thais living along the border that they should inform officials if they see any foreign armed forces.

As for reports, which have been disseminated around the world, that Thai soldiers are secretly supporting the Khmer Rouge, the 2d Army Region commander said that soldiers are carrying out their duties based on the facts. They are performing their duties in accord with the policies of the government. The Thai government has never supported a particular Cambodian faction. The fighting in Cambodia is the internal affair of Cambodia. At the same time, Thailand does not want the fighting to expand, because that will affect Thai citizens and border trade.

The 2d Army Region commander confirmed that if the fighting between the Khmer Rouge forces and the Cambodian government forces affects Thailand, particularly if shells land inside Thailand, the Suranari Force has a plan to take strong retaliatory measures.

Chief Justice Comments on Thanong's Fate

BK1402052695 Bangkok THE NATION in English
14 Feb 95 p A4

[FBIS Transcribed Text] The fate of former Chat Thai MP Thanong Siriprichaphong, who the United States wants extradited on drugs trafficking charges, rests in the hands of the government, Criminal Court Chief Justice Manit Chitchanklap said yesterday.

"If prosecutors have enough evidence against him, the Criminal Court is authorised to simply remand him pending extradition," Manit said.

Manit's comments contradict those of Interior Minister Sanan Khachonprasat, who said last week that it is up to the court to decide if Thanong should be extradited.

"If the government does not extradite him after the court's ruling, the court would be authorized to release Thanong," he added, without giving a specific time frame.

Manit said the court will be able to proceed with the case against Thanong soon, as long as all parties involved are ready and all evidence is available.

He said the court did not grant bail to Thanong last week because the law clearly stipulates that a defendant in such a case must be held in custody pending a first court hearing, which Tanaong will face on Feb 23.

Attorney General Khanit Na Nakhon said only the matter of Thanong's extradition will be considered first, not the alleged crime itself.

Under the 1992 Thai-US extradition treaty, Khanit said, only defendants who face at least a one year jail term can be sent by Thai authorities to stand trial in the United States. But Khanit reiterated that the decision is the government's.

After a week of speculation that he had fled the country, Thanong surrendered to police on Friday and was remanded in custody, pending a hearing on a request by the US government for his extradition.

In November 1991, a district court in California indicted Thanong on charges of smuggling some 45 tonnes of marijuana, with a street value in excess of US\$10 million, into the country between 1973 and 1987.

Thanong had denied involvement in any drug trafficking and claimed the US attempt to level charges against him was politicized. After Thanong was denied bail last Friday, his lawyer said he would resubmit the bail request for him later.

*** Senate President: MP's Represent Money Interests**

95SE0099C Bangkok MATICHON in Thai
22 Dec 94 pp 1, 13

[FBIS Translated Excerpt] [Passage omitted] Mr. Michai Ruchuphan, the president of the Senate, gave a speech on the topic "Problems in the Legislative Process That Pose an Obstacle to Political Development." [passage omitted]

Mr. Michai said that one of the problems is that MP's [members of parliament] win election by buying votes. The election law stipulates that a candidate may not spend more than 1.5 million baht. But that is not the actual figure but just the target figure. Actually, the expenditure reports are all false, and both the auditors

and preparers know it. Society should admit the truth and try to find out how much is really spent on election campaigns.

Mr. Michai said that senators are not viewed as elected officials, and, therefore, they are not viewed as real government officials. But the truth is, senators serve to temper the rashness of MP's. And this rashness is not based on ideals or the views of the MP's. Rather, this stems from such things as lobbying efforts and values based on fashion, including fashions created by the mass media. Senators oppose these fashions and prevent people from "going overboard." They slow down things to give people a chance to think about and review things. If senators were elected just like MP's, it wouldn't be necessary to have two houses of parliament.

"The policies of today's political parties really aren't that different. The parties are all under the influence of wealthy people and businessmen. Those people think that if they can gain state power, that will be good for business. Thus, businessmen have become involved in politics. Today, 500 million or 1 billion baht is considered to be a trifling amount in return for gaining state power, which can earn them huge sums. It's easy to obtain money today. All a person has to do is spend 100 million. After serving as minister for 1-2 months, he can request a sash and gain prestige among politicians. From a business standpoint, this is well worth the money spent. It probably isn't possible to prevent businessmen from becoming involved in politics. I think that this is an important problem. Are these people really interested in serving the people? In the future, they will become well-known people and control most of the votes in parliament. They will be able to give whatever orders they want. Each MP will be under their control, and their capacity to think will be reduced. Their decisions will depend on the party and group. Is this good?" said Mr. Michai.

The president of the Senate said that another problem is that there are conflicts between political parties. They vie with each other to become part of the administration. This is a struggle for power. The main goal of those who run for election is to govern the country. Whenever they find themselves as members of the opposition, they always criticize the government. But as soon as they become members of the administration, they change their tune and say that this administration is doing a good job. If politics develops as usual and every party has a chance to become a member of the administration, these people will realize that that you can't do everything that you want, because there are always obstacles.

"The Democrat Party, for example, once talked about dispersing power, saying that it would take quick action on this. But even though it has been in power for 2 years now, it hasn't done anything. Everything is still on paper, because this party knows that it isn't easy to do this. That would affect many people. It's virtually impossible to implement such a policy," said Mr. Michai. [passage omitted]

Foreign Minister-Designate Interviewed

*BK1402071095 Bangkok THE NATION in English
14 Feb 95 p A5*

[Interview with Foreign Minister-Designate Krasae Chanawong by Kritsana Chaiyarat; place and date not given]

[FBIS Transcribed Text] **Your appointment as foreign minister will be the third ministerial position you've achieved in your political career. Do you regard this appointment as the high point of your career?**

I never imagined that I would be the recipient of such an honour. The appointment to foreign minister was beyond my expectations. This is an important job for the country's sake, so I'll try to do my best.

Do you feel uneasy that you were given the post at a time when there are rifts between your coalition partners, which may get worse with coalition parties expected to fight each other for popularity as the government's term in office draws to an end next year?

What you've described is normal in politics. I've seen many political conflicts. If the conflicts happen to take place when I'm holding a Cabinet seat, I can deal with it. Working for a coalition government as we do, we cannot expect our partners to agree with us on all issues.

Will the conflict over the alleged irregularities behind the land reform scheme affect your work as a Cabinet member?

Yes, my work will be affected, but not to a significant degree. When we accept a Cabinet post we must do the best we can despite whatever conflicts may exist. Foreign policies are national policies are the responsibility of all political parties from whatever side of the conflict they come from. So we all must share that responsibility. We must make it clear that the policies are determined in the national interest.

It's the norm that we may have differences in opinion over the details, but we must all share responsibility for the principles behind the policies. We are implementing the policies in the name of people from all walks of life in this country. The government and opposition alike cannot deny their responsibility for the policies.

Will you give priority to international economic issues over political issues as did ex-foreign minister, Thaksin Chinnawat?

Of course we must follow up on the work done by Thaksin and the emphasis he placed on economic issues. It was the Phalang Tham party, which asked Thaksin, as a former successful businessman, to utilize his economic expertise in the job.

In fact, the policy of giving priority to economic affairs is nothing new. It has existed since Sitthi Sawetsila was foreign minister in the Prem government. When Sitthi went overseas, he was always accompanied by a big

delegation of businessmen. Although Sitthi did not proclaim it, the practice had always been one of giving economics precedence over foreign affairs. Former foreign minister Prasong Sunsiri also implemented that policy, although in a more bureaucratic style. Economic problems are international issues. Nobody can stand in the way of international trade.

Why did you decide to enter politics?

During the political changes of 1973, the new generation at that time believed they could contribute to the development of democracy after seeing the military dominate politics for too long. After the Oct 14 students uprising, I was appointed as a member of the interim legislature and that inspired me to work in politics.

While the legislature was passing a new charter, I thought those who had succeeded in their careers should sacrifice their positions to work for the future of the country and to push the nation along the path towards democracy. We saw the need to push fresh faces into politics, so we decided to form a party of new bloods called Phalang Mai (new force), in 1974. I was voted party leader and at that time, I had just received a Magsaysay award and was well-known. That was how I entered politics.

I stood at the next election in Khon Kaen and won a house seat. The Phalang Mai party did not include any former or current politicians at that time—we consisted only of new bloods.

Can you describe what sort of family background you come from?

I'm from a common family. My parents have 10 children, of which I am the sixth. My parents had a difficult life—I didn't finish my studies in Grade 2 because I had to leave school to work at a shop, which sold forest products like silk, jute and tapioca, for two years. When the shop operator stopped running his business, I went to stay with my brother in Udon Thani, where I studied at a Chinese school. When my father passed away, I quit school and helped my brother sell liquor for three years (between the ages of 14 to 16). I also delivered newspapers in the morning.

My teacher later persuaded me to continue my studies. At that point I hadn't finished Grade 4 yet. I had to undertake an intensive study course. Khun Charubut Ruangsuwan, then a Khon Kaen MP (from the now-defunct Liberal Democratic Party) who was close to my brother, brought me to Bangkok to study grade 5 at Amnuaisin School. I stayed with Khun Charubut until I finished grade 6 studies, before I was admitted to study at Triam Udom School for two years. Then I was admitted to the Faculty of Medicine at Chulalongkorn University.

While studying at Chulalongkorn, I was chairperson of the students' public speech club and a member of a students' committee representing five universities. I also worked in the evening as a tutor for high school students.

Did you want to become a politician at that time?

At that time, I was engaged in various political activities but I had not thought about becoming an MP.

Who are your favourite politicians?

I used to listen to the debates of former Democrat Party leader Khuang Aphaiwong and certain other well-known politicians from that party. When I came to Bangkok I stayed with Charubut and in the evenings I frequently attended a discussion on politics among a group of MPs who gathered at Charubut's house. He was an influence on me because of his honesty and diligence.

New Aspiration Party Head on Political Scene

*BK1102084595 Bangkok BANGKOK POST in English
10 Feb 95 p 4*

[Interview with General Chawalit Yongchaiyut, leader of the New Aspiration Party, by Yuwadi Tunyasiri and Phenchana Charoensuthiphan; place and date not given]

[FBIS Transcribed Text] Question: After withdrawing from the government, there have been reports of New Aspiration MPs [Member of Parliament] looking for other parties to move to, what are things like in the party now?

Answer: We have to look at what NAP [New Aspiration Party] did wrong to make people not want to stay. The answer is nothing, other than withdrawing from the government. The question is whether we withdrew because of stupidity or were tricked by someone, or were we trying to create some new political thinking that is just? We sacrificed everything. We sacrificed life for justice. That is the supreme thing to do. People may not see it but we insist on continuing to do it.

Q: So you were not trying to push for early elections?

A: We don't mind when the elections are held. It can be soon or it can be later. What we were saying at the time was that (direct election of all local government officials) will take time. NAP does not want the Government to fall tomorrow. If the government can stay without causing hardship to the people, then that is enough. They don't even have to build the country, as long as they don't damage it.

Q: People may now feel that they cannot depend on politicians because everything has to wait for an interpretation of the law, and they may feel the same way about the religious authorities. Are you worried about this?

A: What you say is right. People are confused. They don't know what is right or wrong anymore since there is no pillar to say what is right and wrong. This pillar is morality and there is no morality now. All they (Government) do is blame the press.

Q: Is it a crisis of faith?

A: I don't think so because faith was used up long ago. It's a crisis of administration or power or state power. Now both state power and state organisation are all frustrated. No one knows what is what. No one knows where the line of right and wrong or of morality is, which is dangerous because it controls the whole of society. That is why when they attack us, we stand firm.

Q: What could people do in this situation?

A: We are worried about this, but the country is not going to drown or anything. We still have institutions which we can adhere to, like the monarchy and religion, though people have been trying to tarnish religion. Whatever is good, will survive.

Q: There will be some billionaires entering the electoral arena and setting up new political parties. Will they be a fearsome opponent for you?

A: Money is a good thing. Don't say it's bad. The important thing is if we use it in the correct manner. Not all billionaires are bad, it depends on how they behave. We have to make that distinction.

Q: Will there be a lot of new rival parties for the NAP?

A: If we leave politics this way, with the same structure, then people will worry. The people have passed through the "angelic" and "evil" parties stage and they don't want it to return. We have to develop further and build the people's faith. We are thinking that politics here should be something like Malaysia's UMNO [United Malays National Organization] or Japan's LDP [Liberal Democratic Party]. We are studying this and how to improve on the UMNO system.

Q: What would you have to do to get politics to the point that you want?

A: The NAP will have to have a majority in Parliament. If we get this and do badly, then everything we do will be wiped out. There are always checks and balances. NAP's policy will still be the same. The problem is how we can get a majority. Failing that, we will have to be a coalition government, but can this be in the form of UMNO or the LDP? The current system is, we go through the elections and then form a coalition, but why don't we form a coalition first and then go to the elections?

Q: How do you think you will do in the next election, given your aims?

A: If the press is asking me this, then it must be near the general election. We will do our best. We don't have to worry. There is nothing in the world we have to be worried about.

Q: The Democrats have also said that they will win a lot of seats.

A: I am happy for them. It's something we'd like to see no matter who gets the majority. We wish them well.

Q: Do you know which parties you will work with in the elections?

A: Not yet. I am just proposing ideas and trying to lay the groundwork. There has been news about other parties pulling our MPs away, but that doesn't matter. I never say that our people can't leave. But if we can create what is right and just then no one will leave. Who would want to live in a bad environment? If they insist we give them our blessing and we can stay friends.

Q: Is more vote-buying expected in the next election?

A: Everyone sees it that way, but people with a lot of money have failed to get elected before. Money is not the only factor. They also have to have other things—ideas, morality and justice—to be elected MP. They have to love the people. Let the rich people come down and see if they can get elected.

Q: What ideas will you sell at the next election when all the key party leaders like Gen Chatchai Chunhawan and Mr Amnuai Wirawan are also competing in the Northeast?

A: I am very happy about this. The people of the Northeast will benefit and its MPs will get posts in the Government. We will adhere to our party policies and our immediate priorities. I can't say yet what these are, but an example of an immediate priority is the traffic problem. We have lots of studies on this problem but have never had the chance to really tackle it. Like His Majesty the King has said, the answer is how we can make the home and the workplace close to each other. It's a town-in-town concept.

Q: Will your UMNO or LDP plan work if other parties don't go along with it?

A: Would they want to cooperate if they could see that the country cannot exist with this coalition government format of four or five parties? Should we let the country continue like this? We have to look for some new political form to take the country forward. We have to come together at the beginning rather than at the end of the election. We have to have an answer for the country.

Q: Will this government last with all the internal quarrels over the land reform scandal?

A: It's easy to survive. But to survive in good health is difficult.

Q: How will NAP compete with the Democrats in the South?

A: The Democrats are not magicians that no one can do anything against. Jack can still kill the giant. If they are the giant, then I will be Jack.

Q: Next time, will you still join with the Democrats to form a government?

A: It depends on my heart. I bear no grudges against anyone. We work for the country and the people. I don't

know if other parties focus on this point, maybe they focus on completing a four-year term. We don't blame them because this is what they believe. If we focus on the same thing, then we can cooperate.

Q: Will you have to adjust your leadership style because people feel that you are usually at a disadvantage in dealing with others?

A: I am not weak. Doesn't our country need unity and cooperation to solve problems? Now they are talking about violence again and about the Communist Party of Thailand (allegations by Interior officials that former communists are behind the farmers' protest in Nakhon Ratchasima). I have not lost my leadership qualities of 10 years ago (when he was Army commander-in-chief). When the time comes, those leadership qualities will return on their own.

Q: Sukhawit Rangsitphon (who might become NAP secretary-general) only knows economics, not politics. Will there be any problems if he gets an important party post?

A: You can't be good just at one thing. He will have to learn the political side and we have to learn administration from him. We can share experiences.

Q: Most of your MPs are from the Northeast. Won't your next secretary-general have to be from the Northeast too?

A: You can't think that way. Everything has to be decided by elections in which all agree to work for the good of the party. They say I own the party, but I can't dictate things, because then it would be a dictatorship, not a democracy.

* Central Bank Chief Outlines Objectives

95SE0099A Bangkok MATICHON in Thai
22 Dec 94 p 6

[FBIS Translated Excerpt] Mr. Wichit Suphinit, the governor of the Bank of Thailand (BoT), summarized the 1994 economic situation. [passage omitted]

As for the economic trend in 1995, the Bank of Thailand expects Thailand's economy to continue growing. [passage omitted]

The important restrictions on economic growth next year include the increase in interest rates abroad, the labor shortage, and the implementation of a strict monetary policy in order to prevent domestic expenditures from exceeding production capabilities.

The seven-point policy to be implemented by the BoT next year consists of the following:

1. The credit of the commercial banking system and foreign financial activities must expand at a more suitable rate of 24 percent as opposed to this year's rate of 25.5 percent. This will help maintain economic stability.

2. Steps will be taken to ensure that credit is extended continuously. Commercial bankers will be invited to attend a meeting around the middle of January in order to discuss the general economic situation and credit plan. Emphasis will be placed on avoiding extravagant expenditures and speculation. Instead, the emphasis should be on the important economic conditions and dispersal to all the regions.

3. Attention will be given to the security of the financial institutions, particularly limiting the growth of credit to put money into commercial activities in which the commercial banks lack expertise.

4. Attention will be given to maintaining the security of the financial institutions by having them maintain capital to risk assets in accord with the B.I.S. standard of 8 percent as of 1 January next year. The commercial banks must also keep enough funds on hand to cover all doubtful debts. This will increase strictness with respect to the financial institutions.

5. Large-scale projects will begin mobilizing capital through instruments, and loans through commercial banks will be reduced. Officials will look for ways to help the financial institutions promote instrument activities. The law will be amended to facilitate joint activities. This will include allowing other financial instruments that have a secure position to take loans through the loan window of the BoT, including both the loan window and bond repurchase bank, or RP.

6. The Bank of Thailand will cooperate with the Ministry of Finance, the Office of the Securities Control and Securities Exchange Board, the securities associations, and the Account Debit Office in developing debt instrument markets. Besides this, the BoT is studying exchange rates and currency exchange values. It will permit people to invest in foreign securities. But initially, limitations will be imposed. This will be discussed in the master monetary plan.

7. Steps will be taken to mobilize savings. Even though national savings is presently 35 percent of the national income, that is not enough to satisfy investment needs, which have expanded to 40 percent. Thus, savings are still at a worrisome level, because the rate of increase has slowed as compared with the rate stipulated in the 7th National Economic and Social Development Plan, which calls for an average rate of 13 percent. But during the period 1992-1994, the rate was only 9.3 percent. This shows that savings are still lower than the target at a time when expenditures are high. Thus, a way must be found to get both people in the private sector and the government to increase savings. This may be done by focusing on instruments and household savings.

In addition, officials will implement measures in an effort to find a way to increase committed savings in the future. This will be limited to such things as education, retirement, and housing, which have been under study for a long time and which are industrial-type use forms.

Also, commercial banks must be permitted to manage provident funds and government retirement funds in order to give the instruments and funds greater capabilities and enable them to compete at the international level.

* Obstacles to Police Effectiveness Examined

95SE0099B Bangkok MATICHON in Thai
22 Dec 94 p 31

[Article by Wasit Detkunchon: "The Police Department—Excrement Which Every Interior Minister Has To Wade Through?"]

[FBIS Translated Excerpt] For every interior minister, the Police Department poses one of the most serious and chronic problems. The reason why it is a serious problem is that the Police Department is not only a large government unit that has up to 200,000 personnel but it is also a unit that has broad powers, including the power to arrest and interrogate those suspected of having committed a crime. Because of this power, police officials are feared by both criminals and honest people alike, which provides corrupt policemen with an opening to use their power for personal profit. This also gives other dishonest people a chance to use the Police Department to build their influence and make illegal profits for both themselves and their friends.

Actually, if the Police Department was composed of good policemen only, it's unlikely that abuses of power would occur. Thus, the best way to prevent people in the Police Department from making illegal use of their powers is to recruit only good people at the very beginning and then support only the good people when promoting people.

The reason why this is a shortcoming or loophole in the Police Department and a problem for every interior minister is that the Police Department has not made a sincere attempt to select and promote only good people. In selecting people, or approving applications for positions in the Police Department, even though there is both a police academy and police school and, for commissioned officers, even though the Police Department accepts applications from outsiders who have earned a bachelor's degree, the training given to police cadets at both levels is still below standard.

What is very important is that the Police Department is not strict about the quality of the instructors at its schools. It uses teaching positions as positions for undesirable officials or as temporary "rest stops" for people who want to transfer to a more secure position.

The police academy, which both produces commissioned police officers directly and also trains college graduates who want to become commissioned officers, lacks permanent instructors with good qualifications. It has to rely on outsiders, who serve as special instructors.

The situation at the police school is about the same. Something else that is very important is that the training at both schools tends to focus on instilling military-type discipline instead of preparing people to serve the people.

As for supporting the promotion of good people, which includes promoting them in rank and moving them to more important positions, the criteria used by the Police Department are very loose. What is very worrisome is that even though in-service training is provided to prepare people for higher positions, there are no basic criteria to measure the abilities of people after they have been through the training. The Police Department does not use the results of the training as a factor when considering whether to promote someone. Thus, decisions about whether to promote someone are based mainly on the views of a person's superior officer, who may be absent-minded, biased, or susceptible to a bribe.

Major General Sanan Khachonprasat, the new minister of interior, seems to be well aware of this problem. In an interview last Sunday, he told MATICHON that 200-300 of the transfer orders submitted have "holes" and must be reconsidered. He plans to question the police commanders involved about this, and if the "holes" can be found, steps will be taken to "mend" them.

I am pleased by Minister Sanan's good intentions, but I would like to point out that simply having good intentions without taking steps to solve the problems may just change the form of the problems. This is because the Police Department's promotion system lacks the important foundation discussed above. That is, the Police Department does not select and train good people to serve as policemen or support the promotion of good people. [passage omitted]

Vietnam

Boxes of Possible MIA Remains Sent to U.S.

BK1402065095 Hanoi VNA in English 0650 GMT 14 Feb 95

[FBIS Transcribed Text] Hanoi VNA Feb 13—Vietnamese and US forensic specialists from Feb. 9-13 conducted examinations on the remains and articles collected by the joint search team and handed over by people in the recent 33rd joint search conducted from Jan. 5-25 this year.

Initial results show that six boxes of remains and some articles could relate to a number of US servicemen missing in action during the Vietnam war.

Representatives of the Vietnam MIA Office transferred here today to US representatives the remains and articles in the presence of the visiting delegation of the US Veterans Association [as received] (VVA).

This is the 52nd times Vietnam has returned remains to the US side since 1973.

The US representatives expressed high appreciation of the Vietnamese Government's humanitarian policy and effective cooperation.

Singapore To Help Facilitate ASEAN Access

BK1302132295 Hanoi Voice of Vietnam in English 1000 GMT 13 Feb 95

[FBIS Transcribed Text] Singapore and Vietnam have agreed to expand cooperation to ease Hanoi's path to become the seventh member of ASEAN in July.

Singapore is among Vietnam's leading investors with investment last year reaching \$650 million in various projects. The two-way trade exceeding \$2 billion.

Expanding economic cooperation will include the development of tourism and industrial parks in Vietnam.

Tran Duc Luong Visits Northern Provinces

BK1302155095 Hanoi Voice of Vietnam in English 1000 GMT 13 Feb 95

[FBIS Transcribed Text] Vice Premier Tran Duc Luong has paid a working visit to northern provinces and some cities. At the port city of Haiphong, he stressed that there was an urgent demand for economic development to develop the city's port facilities. He stressed the need to enlarge and control the entrance and exit of the port to facilitate the movement of 10-thousand tonnage ships by the year 1996.

In Thai Binh province, he said that besides maintaining an annual output of 1 million tonnes a year, food factories and quality of farm produces must be ensured.

In Nam Ha, he agreed with the plan for three economic areas in the province. He urged the province to reorganize industrial areas specializing in sugarcane, [word indistinct], sea food processing, and export of vegetables and Fruits.

Finance Minister Ho Te Interviewed on Reform

BK1302150395 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 10 Jan 95 pp 1, 5

[Interview with Finance Minister Ho Te by SAIGON GIAI PHONG correspondent Le Tien Tuyen; place and date not given]

[FBIS Translated Text] [Le Tien Tuyen] Mr. Minister: At the Ninth National Assembly's sixth session, Prime Minister Vo Van Kiet pointed out that one of the most important tasks to be carried out in 1995 is to renovate urgently financial and monetary work. Could you discuss the steps to be taken to accomplish this task?

[Ho Te] Financial and monetary work, an essential task for 1995, has been given constant leadership attention by the government. In order to have a better insight into the importance of the move to renovate financial and monetary work in 1995, it is necessary to be aware that 1995

is a very special year—a decisive year for the fulfillment of various socioeconomic targets set forth by the Seventh Party Congress in its five-year 1991-95 plan. It is also the first year the party Central Committee's seventh plenum resolution on industrialization and modernization will be carried out to usher our country into a new era of development, the era during which we will push industrialization and modernization forward. Steps to be taken to renovate financial and monetary work have been debated and integrated by the government into its 1995 action program. The minister of finance and the governor of the State Bank have been entrusted with the special duty to implement these steps whose main features consist of:

- Right from the beginning of the year, urgently adopting and perfecting a national financial policy, trying to clarify policy viewpoints on and specific orientations for a system of financial and monetary regulations. This will be used as a basis for a law on state budget to be presented at the Ninth National Assembly's seventh session for approval, and for the deployment of a host of other financial policies.
- Carrying out the second phase of a tax reform plan by combining efforts to revise a number of tax laws now in force—such as the law on exports and imports, the law on business tax, and the law on special consumer tax—with efforts to conduct long-term studies to radically change some kinds of taxes such as replacing the business tax with a value-added tax, the current income tax system with a corporate income tax, and a high-bracket income tax with individual income tax [as published]. Meanwhile, efforts must be made to perfect the organization of mandatory tax collection as well as the tax collection mechanisms to fight effectively collection shortfalls.
- Revising and perfecting various financial mechanisms and policies regarding enterprises, financial and monetary organizations, administrative and professional organizations in order to create a favorable trade environment for various economic, financial, credit, monetary, and insurance organizations.
- Applying in a diversified and flexible fashion various forms of mobilizing idle money from society for a capital loans scheme designed to serve socioeconomic development requirements such as issuing bonds, credit notes, and share-holding certificates, setting up development support funds, expanding various forms of insurance, and developing the system of people's credit funds.
- Making studies to establish and promulgate legal procedures for the setting up of special markets for the mobilization of funds such as the stock market and the real estate market.
- Consolidating and perfecting the two-level banking system, clearly delineating the state management functions of various state banks at the central level and the currency trading functions of various state-run commercial banks.
- Making studies to perfect the policy on bank interests and renewed discount rates, helping to change the credit mechanism, increasing the proportion of long-term credit loans, making the policy on bank interests truly a tool of the monetary policy capable of helping with regulating the macro economy in the market economy.
- Implementing satisfactorily the policy on foreign currency management and expanding and closely controlling the currency exchange network, trying to ensure that Vietnamese dong is the only currency used in Vietnamese territory.
- Applying a new accounting system in the entire national economy, revising the accounting system for expenditures incurred from administrative and service activities, scrutinizing expenditures made through the state treasury, expanding auditing activities and accounting services in order to meet the demands of the economy.
- Since development investment constitutes a major demand at present and against a background where budget balancing continues to pose many difficulties, what appropriate steps should be taken by the Ministry of Finance to increase revenue and reduce expenditure in 1995?
- Implementing the Seventh Party Central Committee's seventh plenum resolution on industrialization and modernization, right from its preparations for the 1995 budget plan, the Ministry of Finance has advocated prioritizing the concentration of capital for development investment by means of increasing revenue collection, reducing expenditure, and regulating expenditures rationally in order to increase the proportion of investment-oriented capital earmarked from the government budget reserved for expenditures. Facts over the past few years show that apart from meeting requirements for regular spending, domestic revenue has made it possible for us to set aside an ever-larger amount of money for development investment. In 1993, the amount of tax and fee money spent for investment constituted 9.9 percent of the total amount of tax and fee money collected and 23.4 percent of the total development spending made as compared with 12.6 percent and 44.8 percent respectively in 1994. The amount of tax and fee money to be spent for investment in 1995 will account for 20 percent of the total amount of tax and fees collected and 75 percent of the total development spending.

As a guiding principle, the Ministry of Finance has determined its primary objectives as effective management of all income sources and resolute effort to minimize revenue losses, especially in the non-state sector. To fulfill the budgetary tasks for 1995, we should first carry out the essential task of thorough campaigning, so that everyone realizes that national revenue collection is a task that should be shared among all party committees,

administration at all levels, and other sectors. The revenue collection agencies, however, are the ones with primary responsibility for planning work coordination to collect full documentation of taxpaying households and their genuine production and business circumstances, as well gradually reducing the practice of calculating taxes through estimates. The quality of accounting work in the non-state sector should be improved to make accounting an effective tool in production and business management and in suppressing tax evasion. Review of losses in revenue collection should be performed on a regular basis, and coordination with judicial agencies should be maintained to handle all breaches in the tax law. Regular cross inspection among agencies in the revenue sector will also help consolidate and refine the revenue cadres contingent.

The most important task in expenditure management is to fulfill the National Assembly resolution on practicing thrift. For 1995 the Ministry of Finance will not allocate absolute figures on savings targets as it did in 1994, but will assist sectors and agencies in drawing up their own savings plans. Each sector or locality will draw up its own savings plan and submit it to the government and financial authorities for approval. Sectors and localities which fulfill their savings plans will be rewarded with the entitlement of keeping those savings, to be used in investment for facility development according to their approved projects. With state business establishments, their savings will be used to expand their investment capital.

In addition to the measures to increase revenue collection and encourage thrift, we will pay attention to other important areas, including reforming the structure and policy of revenue collection, expenditure management, and business financial management.

[Le Tien Tuyen] In order to take a step forward in the industrialization and modernization process, in 1995 we will need capital of 55 trillion dong to ensure economic growth of 9-10 percent in comparison with 1994. To double the per capita GDP [gross domestic product] by 2000 we will need 550 trillion dong of investment capital. Minister, what is the solution for this problem?

[Ho Te] Financial and monetary issues always pose difficult problems, but we should know how to find ways to solve them. The essential factor is the ability to mobilize the country's collective wisdom in addition to contemporary wisdom. Then a solution will surely be found.

The total investment demand for 1995 of 55 trillion dong is essential to ensure an economic development rate of 9-10 percent. Most of that amount will come from the national budget, private sector investment, and direct foreign investment, which are estimated at 14, 15, and 16.5 trillion dong respectively. Other sources include returns from capital depreciation: 2.5 trillion; credit capital investment: 4.5 trillion; investment of state business establishments: 2.5-3 trillion; and so forth. To

achieve these huge levels of investment, the government should carry out the following measures to mobilize and attract investment capital:

- To study and encourage more effective implementation of the foreign investment law, resolve cumbersome procedures and reduce intermediary steps, while developing the domestic investment encouragement law to mobilize more investment from all sources.
- To speedily complete regulations that create the legal framework for the capital markets.
- To issue a wide variety of bonds and credit instruments as material premises for the function of a stock exchange center.
- To continue the process of introducing a share-holding enterprise system for state business establishments and develop public bidding practices for exploitation of national resources as this is also a significant income source for development investment.
- To develop the BOT (build-operate-transfer) system in building technical infrastructure.
- To strengthen negotiation for more capital from ODA [overseas development aid] sources from international organizations and other countries; prepare the necessary conditions for better loan absorption; and refine loan procedures and staff training.

[Le Tien Tuyen] At the Paris Conference of Donors to Vietnam last year, various international organizations and countries pledged to provide loans worth \$1.86 billion. Is it true that we actually received less than this amount? What are the reasons for this?

[Ho Te] It is as you said. We must admit that in 1994 we still did not understand the regulations and procedures in presenting our projects for loans. It can be said that in the process from the planning stage to bidding and receiving loans, we did not have close and uniform coordination, and the responsibilities of the agencies concerned were not defined clearly.

Moreover, the amount of borrowing equaled the whole figures mentioned at the conference for the 1993-1997 period. To date, we have signed agreements to obtain only about \$1.49 billion. As for the actual repayment of the loans, it depends on how quickly we can complete the projects. Nevertheless, in 1994 we repaid about \$115 million in loans. In 1995, we plan to repay more than \$350 million (excluding loans provided by the International Monetary Fund for strengthening our expanded economic structure, which total about \$89 million annually). With this rate of repayment and the experience gained in the process to obtain loans, we believe that in the 1997 fiscal year we will be able to get all the loans promised at the conference.

[Le Tien Tuyen] Although our tax system has been reformed several times, it still has weaknesses. These

cause problems for exporters and the business community and prevent implementation of a fair and rational tax collection system. Mr. Minister, can you elaborate on the fundamental precepts of the new tax reform measures?

[Ho Te] The amendment and supplementation of our tax policy this time stemmed from the requirements of economic development. While the economic mechanisms are changing, the tax structure will be fundamentally changed too. As a result, tax policy must also be reviewed and revised to suit the development of the economy. This year we must revise and supplement a number of tariffs levied on special consumption goods. Efforts will be made to shift more lists of goods subjected to special consumption tax from the business turnover tax index to make it look more simple. Special consumption taxes will be additionally levied on some imported goods which are presently included in the import-export tax index. For the business turnover tax, different tax rates will be narrowed to create easy conditions for implementation of the value added tax in the future.

In the long run, efforts must be made to study the possibility of replacing the business turnover tax with the value added tax, the high income tax with an individual income tax, and the interest income tax with the corporate income tax.

[Le Tien Tuyen] Last year we could not fulfill our inflation target. Some said that we knew this beforehand, but we had no apparatus for promptly regulating and managing at the macro-economic level, thus failing to meet our target. Will we be able to hold the inflation rate to 10 percent this year?

[Ho Te] The inflation rate in 1994 was 14 percent, higher than what we predicted at the beginning of the year. This is not high inflation, however, given the fact that our economy is being stabilized and developed. The higher inflation rate last year was due to a number of significant objective and subjective factors, including the following:

The price increase in the international market for some kinds of goods and raw materials such as cotton and fertilizers and the wage reform of 1993-94 which resulted in the 100 per cent wage increase as compared to the period before the reform. As a result, when the coefficient of the new compensation plan was paid up to grade 10 in 1994, purchasing power increased, thus causing higher prices for in some kinds of goods, particularly grain and foodstuffs. This also resulted in, however, a positive factor for stimulating the development of agricultural production. Moreover, we also faced the consequences of severe flooding in vast areas of the Central and Nam Bo delta regions. Facing this situation, the state has decided to slightly increase prices on some kinds of industrial goods to maintain a balance between industrial and agricultural products.

In the market economy, inflation and economic growth are inseparable. As a result, to reach economic growth of

9-10 percent in 1995, we cannot expect inflation of less than 9-10 percent. Nevertheless, we must strive to control market prices and stay vigilant against sudden changes in prices so as to take prompt action to resolve the issue. With the practical targets set in the 1995 economic development program and close supervision by the government, I am firmly convinced that in 1995 we will be able to contain the inflation rate at 10 percent as estimated in the National Assembly's resolution.

[Le Tien Tuyen] Thank you very much, Mr. Minister.

Minister Interviewed on Foreign Investment

BK1402123795 Ho Chi Minh City THOI BAO KINH
TE SAIGON in Vietnamese 12-18 Jan 95 p 10

[Interview with Dau Ngoc Xuan, minister and chairman of State Committee for Cooperation and Investment by correspondent Kieu Anh; place and date not given]

[FBIS Translated Text] [Kieu Anh] In 1994, there were opinions that "Vietnam is no longer attractive to foreign investors," since achievements in the field were not as great when compared with previous years. Minister, do you think that is a reliable assessment?

[Dau Ngoc Xuan] First of all, for your information I would like to refer to some statistics: In 1994, the State Committee for Cooperation and Investment [SCCI] issued 362 licenses for investment projects with a total registered capital of \$3.743 billion; it also permitted supplement capital of \$515 million for 72 projects already operating. Also during the period, the committee withdrew the licenses of 54 projects with a total capital of \$187 million.

Therefore, in 1994 the total capital allowed was \$4.07 billion (after the deduction of capital from project licenses which had been withdrawn), representing an increase by 45.4 percent when compared with 1993. In this total, the investment projects for the three major economic regions comprises 84 percent of total investment capital.

Seventy percent of projects having their licenses withdrawn are those with licenses issued in the early years when we were still inexperienced (1988-90).

Also in 1994, we issued licenses for the construction of two first industry zones: Haiphong Industry Zone, which is a joint venture with Japan, and Long Binh Industry Zone (Dong Nai), which is a joint venture with Thailand and has the participation of Japan.

Generally speaking, there are now over 700 companies from 50 countries and territories investing in Vietnam.

From these general figures, SCCI can draw the following conclusions about the investment situation:

—The development rate is relatively good; investment projects increased not only in number but also in amount of registered capital. And the more important

factor is that the total actual capital brought into Vietnam increased significantly when compared with the previous year (\$1.5 billion as against \$1 billion).

On the other hand, some lucrative establishments have applied to raise their investment capital by \$515 million. These facts demonstrate an increasing confidence in Vietnam by foreign business circles.

—Quality of the large projects of the year was much higher than that of previous years, such as joint ventures in steel, cement, and so forth, which we have been expecting for a long time.

In the field of car manufacturing for example, from September to now alone, we have received submissions for investment from major Japanese corporations (Toyota, Nissan, Suzuki), France (Peugeot), and the United States (Ford, Chrysler, General Motors).

—The lifting the U.S. embargo, has not brought in many large American companies yet, but has served as a stimulation to many companies from other countries, especially from Japan, thus creating more benefit for us.

—The allocation of foreign investment has gradually come closer to a logical balance between the north and the south. The current ratio is 45 percent for the north against 55 for the south.

[Kieu Anh] Could the minister please provide more detail on the efficiency of business establishments with foreign investment capital?

[Dau Ngoc Xuan] If in 1993, these establishments achieved an export value of \$169 million (excluding crude oil), then in 1994 it has come to around \$300.

Also in the year, establishments with foreign capital fulfilled their financial obligation to the state of Vietnam in an amount of \$128 million, in addition to commissions for signatures in oil and gas, and import-export taxes.

These establishments created employment for around 165,000 people, together with many other people working in related services.

[Kieu Anh] But we all know that many foreign investors have incessantly complained about Vietnam's investment environment. Why do you think they keep complaining while many other keep coming to Vietnam?

[Dau Ngoc Xuan] At present, there lie waiting on the SCCI table about 80 projects for 1995, many of them are of large size. Why are they still coming? To me, it is because:

—After the last several years, they can see that Vietnam is now stable and on the way up. If there are people doing well here, what is stopping the others?

—They now are beginning to believe that Vietnam is genuinely renovating and wish to befriend and open its door to all truthful investors.

—Vietnam's external relations are expanding rapidly, opportunities are abundant, but slow competitors might be losers.

—They believe in our ability to overcome obstacles in investment and cooperation such as administration procedures, land price, construction, and so forth.

For our part, as you journalists already know, the government is endeavoring to create better conditions for investors in the spirit of mutually beneficial cooperation. The very significant start of the effort is the decree signed on 28 December 1994 by the prime minister stipulating important improvements in the field of investment and cooperation, from the steps of assessment and consideration of applications to project management after licenses have been issued. I hope that investors, domestic and foreign alike, will be pleased with these improvements.

[Kieu Anh] Thank you minister.

Government Sets Single-Digit Inflation Target

*BK1402112995 Hanoi Voice of Vietnam in English
1000 GMT 13 Feb 95*

[FBIS Transcribed Text] Vietnam hopes tighter control on its money supply, fund reserves, and other instruments will push inflation below 10 percent this year. Both the government and the National Assembly want inflation brought back to the single-digit level after it ballooned to 14.4 percent in 1994 from the record low of 5.2 percent in 1993.

State Bank Plans Stronger Capital Mobilization

BK1102160395 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 11 Feb 95

[FBIS Translated Text] According to projections by the Vietnam State Bank, to obtain an economic growth rate of 9 or 10 percent in 1995, the total capital demand nationwide must be at 56 to 57 trillion dong.

The most important measures planned by the bank include the continued refinement of capital markets including savings deposits, treasury bond, and inter-bank foreign currency market. The establishment of stock market in Vietnam is also an important task.

The bank will try to speed up capital mobilization by issuing fixed term and commercial bank bonds, encouraging long-term savings for home purchases, and saving accounts that allow depositors to withdraw money at other localities. Individual bank accounts such as checking accounts will be developed, and preparations will be made for the issuance of bonds abroad.